

**FBIS**

# DAILY REPORT

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*China*

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UN ENVOY DENOUNCES SRV, SOVIET 'AGGRESSION'

OW261924 Beijing XINHUA in English 1857 GMT 26 Feb 86

[Text] Geneva, February 26 (XINHUA) -- Chinese delegate Qian Jiadong today denounced foreign aggression against Kampuchea and Afghanistan, the Israeli aggression in the Middle East and South Africa's obstruction of Namibia's independence as violations of the right of peoples to self-determination.

In a speech before the 42nd session of the U.N. Commission on Human Rights, the Chinese ambassador said that respect for the principle of equal rights and self-determination of peoples is one of the purposes of the United Nations. But he added that some countries that have already gained independence have once again been deprived of the right to self-determination as a result of hegemonist aggression and expansion.

On the Kampuchean issue, Qian said that Vietnam's armed occupation of Kampuchea is another vicious example of the strong bullying the weak and of flagrant violation of the right to national self-determination in the contemporary international relations. "The international community has made tremendous efforts in order to find a solution to the question of Kampuchea. The U.N. General Assembly has for seven consecutive years adopted resolutions calling for the withdrawal of Vietnamese troops, with the number of votes in favor increasing year by year."

Nevertheless, he said, the Vietnamese authorities, bent on pursuing policies of aggression and expansion, have obstinately rejected all these resolutions. "Recently, they have repeatedly clamored that they will definitely not withdraw their troops before 1990 if their conditions are not met, and probably not withdraw even after 1990 if the puppet Kampuchean Army is not strong enough," he noted. "To achieve the goal of perpetuating their occupation of Kampuchea, the Vietnamese authorities have been constantly intensifying their aggression by frantically attacking, encircling and suppressing the Kampuchean patriotic resistance forces. Carrying a policy of neo-colonialism in a systematic way, they have emigrated Vietnamese to Kampuchea on a massive scale, in an attempt to annex Kampuchea through racial, ethnical and cultural assimilation." What is more, Qian said, the Vietnamese authorities have repeatedly dispatched troops to intrude into the Thai territory, shell Thai naval bases and kill Thai people, thus seriously threatening the sovereignty and security of Thailand.

The Chinese delegate continued to say that history proves that no attempt to subjugate others through aggression and expansion has ever succeeded. "The Vietnamese authorities should realize their errors and mend their ways by immediately withdrawing all their occupation troops from Kampuchea. If they are bent on having their own way, they are bound to suffer the same fate as all the aggressors in history." Qian stated that together with the ASEAN countries and the vast majority of U.N. member states, China sternly condemns Vietnamese authorities' policies of aggression and expansion and firmly supports the Kampuchean people in their just war against the Vietnamese aggressors.

"We maintain that any proposition for a political solution to the Kampuchean question must be based on the withdrawal of the Vietnamese troops and on the exercise of the right to self-determination by the Kampuchean people. Only in this way can necessary conditions be created for solving the Kampuchean question, and for restoring peace and stability in Southeast Asia," he declared.

On the Afghan issue, the Chinese ambassador pointed out that for more than six years, Afghanistan has been under the aggression and occupation of Soviet troops. The peaceful homeland of the Afghan people has been turned into a battlefield by the aggressors. The old, women and children have fallen victims to the tanks, aircraft and artillery of the foreign aggressor troops. Nearly five million Afghan people have been forced to leave their homeland and wander destitute in other countries. He described such a situation as "an appalling human tragedy."

"The essence of the Afghan question," Qian said, "is the violation of the sovereignty of a non-aligned Islamic country, the occupation of its territory and the interference in its internal affairs by a superpower in total disregard of the right to national self-determination of the people." "The various pretexts," he said, "such as 'the acceptance of invitation,' 'to help resist foreign interference,' have long been proved to be untenable. The so-called proposal of 'political settlement,' with various unreasonable conditions attached to it, cannot deceive the world public opinion as well."

The Chinese delegate stated that the Chinese Government and people strongly condemn the foreign aggression and occupation of Afghanistan, firmly support the Afghan people in their just struggle against foreign aggression and for safeguarding national independence, and support the efforts made by the U.N. secretary-general, Pakistan and other countries for the settlement of the Afghan question. "The only correct way to solve the Afghan question is, in keeping with the relevant U.S. resolutions, to immediately and unconditionally withdraw foreign troops, to restore the independence and non-aligned status of Afghanistan so that the Afghan people can decide their own destiny without outside interference, and to guarantee the safe return of the Afghan refugees to their homeland," he stated.

The Chinese delegate also sternly condemned Israel for wantonly trampling underfoot the Palestinian people's right to self-determination and also the South African racial regime for obstructing Namibia from gaining independence. The current session of the U.N Human Rights Commission opened on February 3 and will last six weeks.

#### WORKERS MOVEMENT FACING PROBLEMS IN WEST

HK260723 Beijing GUANGMING RIBAO in Chinese 10 Feb 86 p 3

[Article by Fu Xushan: "New Problems Confronting the Workers' Movement in the West"]

[Text] Over the past few years, the economy of developed capitalist countries has recovered and developed to varying degrees, but the growth rate has been low, unemployment has been serious, and the workers' living standards have not improved greatly so that trade unions are facing a serious challenge. Under such circumstances, there are many new issues for the workers' movement in the West, such as employment, collective negotiations, social security, and so on. These new issues have aroused worries and uncertainties among trade unions and workers.

After experiencing an economic crisis for many years, the economy of developed capitalist countries is still recovering slowly. So the capitalists are unwilling to increase their investment and the governments of these capitalist countries have also adopted an austerity policy. Since traditional industries, such as the steel, coal, textiles, and so on, have declined while the new, rising industries can hardly provide more employment opportunities, unemployment rates are very high. Unemployment rates in most of the capitalist countries remain at about 10 percent of the total working population, and periods of unemployment have generally become longer.

In some countries, the number of long-time unemployed accounts for 30 to 45 percent of the total unemployed workers. There are many part-time, temporary, and unofficially employed workers in those countries. In the large contingent of the unemployed, youth accounts for the highest percentage. In the 24 countries of the OECD, 40 percent of the unemployed are below the age of 25. In recent years, some developed capitalist countries have tried to solve their unemployment problem by adopting such measures as short employment periods, early retirement, and the inclusion of employment guarantee terms in contracts signed by labor and management, but have achieved little result. In 1984, the 70th International Labor Conference, attended by representatives of governments, employers, and workers, called for the adoption of an overall, productive, and free employment method and demanded that all the countries give priority to it in their national economic and social policies, and suggested improving the international trade and currency systems, narrowing the gap between the developed countries and developing countries, and establishing a new international economic order so as to make full use of resources, develop economy, and create more employment opportunities. This, however, to a certain extent, reflected the wishes of the working people all over the world but, at the same time, reflected the seriousness of unemployment. As far as the economic and social situations in those countries are concerned, the problem of unemployment cannot be solved in a short time. And the unemployment problem in some of those countries will probably become even more serious in the future.

For many years, collective bargaining has been considered the cornerstone of the trade union movement in the West. The trade unions, on behalf of the workers, hold negotiations with the representatives of management at intervals and reach agreements on such questions as pay increases, working hours, leave, welfare, working conditions, and so on, which will be binding on both sides when the agreements go into effect. By carrying out these activities, the trade unions can protect the immediate interests of the workers. However, due to the economic recession of the past few years, the organization, programs, and contents of collective negotiations have experienced great changes. These changes are detrimental to the trade union movement, because the trade unions are now often on the defensive and have to make a choice between less pay for the workers and fewer employment opportunities for the workers, thus throwing the trade union movement into a dilemma. A few years ago, when negotiating with the Ford Motor Co, the American automobile trade unions suggested on their own initiative a reduction of \$4 billion in the workers' pay. This has been considered a typical example. Management is often on the offensive and has repeatedly forced workers to lower their demands, with the excuse that management has to survive the extremely sharp competition on the world market. Employers in France have put forward a so-called "flexibility of employment" proposal, which in name supplements the collective contracts or enterprise contracts, but which in reality aims at canceling all restrictions on the capitalists, which are imposed by labor legislation and agreements reached through collective bargaining. With the excuse of fighting inflation and unemployment, the governments of those countries have frequently intervened in the negotiations between labor and management at their onset. Sometimes, when the two sides have reached agreement on a workers' pay increase, the government even goes so far as to rule the agreement reached invalid, with the excuse that the agreement might cause inflation. Now, the stress in collective bargaining has shifted from demanding pay increases to employment guarantees, short working periods, the workers' right to participate in management, early retirement, and new measures for training workers, as well as workers' professional training and so on. Under such circumstances, most trade unions simply choose to compromise with management.

The method of going on strike, which was considered a decisive weapon in the past, can hardly be used today because workers fear that they will lose their jobs. In 1984, the number of workers taking part in strikes and the number of workdays sacrificed in strikes in many Western countries greatly decreased.

The trade union organizations have also been weakened, partly because a large number of workers have been dismissed from the traditional industries where the strongest trade unions used to be located. Those workers who have been dismissed have actually left the trade unions. Also, the trade unions' power to attract members has declined because of the passive and defensive position of the unions. In recent years, the number of members of trade unions in developed capitalist countries has fallen. In the United States, for example, the number has dropped by 3 to 6 percent; in the Netherlands, the number has dropped by 4 percent; and in the Federal Republic of Germany, the number has dropped by 2.5 percent.

After World War II, the workers and trade unions in Western countries acquired better social security through arduous struggle. But in recent years, the economic crisis has made it difficult to raise funds for social security and has in turn brought about a crisis in social security in the developed capitalist countries, with expenditures outstripping funds raised. The fundamental reason is that the low economic growth rate and high unemployment rate have weakened the economic basis of social security. However, there are many other reasons, such as the impact of scientific and technological progress on people's material and cultural lives, and the emergence of many new problems in the field of social security: The progress of medical science has enabled the creation of a lot of sophisticated and expensive medical equipment and the introduction of new methods of medical treatment, which in turn has caused an increase in medical expenditure and in the expenses of the relevant legal, public, and social security organs; the progress of medical science and the low birth rate have made the population much older than before, thus increasing the burden of old-age pensions; because the family is experiencing a crisis (the rise in the divorce rate and so on), workers and trade unions in many countries generally demand more social security and greater incomes so as to improve the "quality of their lives," and demand that social security give security to individuals and families and prevent bad social effects from lowering their living standards. They demand that governments take into consideration policies concerning scientific progress, medical treatment, population, the elderly, and families while formulating their respective policies on social security.

#### ASSEMBLY ASKED TO STUDY UN FINANCIAL CRISIS

OW261107 Beijing XINHUA in English 0858 GMT 26 Feb 86

[Text] United Nations, February 25 (XINHUA) -- The secretary-general of the United Nations, Javier Perez de Cuellar, said here today that he is asking the 40th General Assembly to be reconvened to consider immediate steps to deal with the financial emergency of the organization. This will occur in late April. The chief U.N. executive officer said this at the opening meeting of a group of 18 high-level intergovernmental experts, including Bi Jilong from China, former under-secretary-general of the United Nations. The group was set up by the General Assembly to review the efficiency of the administrative and financial functioning of the United Nations.

"This group has been formed at a time of financial crisis which leads inescapable urgency to the work you are undertaking", he told the group. He hoped they would find a longterm solution to the U.N. financial crisis. U.N. spokesman Francois Giuliani said at today's noon briefing. The possible date is the end of April. [as received]

Perez de Cuellar asked them to look into the process of setting assessments for member states; the priorities of the United Nations and use of resources in accordance with these priorities and structural and procedural changes to improve efficiency. The group will conduct a series of meetings and investigations and present its findings to the 41st session of the General Assembly.

LI PENG WITNESSES GE EQUIPMENT CONTRACT SIGNING

OW261923 Beijing XINHUA in English 1506 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- The General Electric consortium will provide two Chinese power plants with equipment, including four 350mw coal fired generating units. A contract to this effect was signed here today between China's Huaneng International Power Development Corporation (HIPDC) and the General Electric consortium, formed by the General Electric Company (U.S.A.); Babcock and Wilcox Industries, Ltd. of Canada; and Ansaldo, S.P.A. of Italy.

Two newly-built thermal power plants in Shijiazhuang in Hebei Province and Nantong in Jiangsu Province will each get two units. The first unit is expected to go into operation in 1988.

Chinese Vice-Premier Li Peng and Minister of Water Resources and Electric Power Qian Zhengying witnessed the signing of the contract.

While meeting senior executive members of the three member firms of the consortium, the vice premier said that the signing of the contract would help ease the power shortage in China, and boost its energy supply.

Paul W. Van Orden, executive vice president of GE, replied that the consortium would carry out long-term cooperation with HIPDC in China's energy exploration.

U.S. PAPER URGES CHECK ON ILLEGAL TEXTILES

OW250644 Beijing XINHUA in English 0631 GMT 25 Feb 86

[Text] Washington, February 24 (XINHUA) -- THE U.S. JOURNAL OF COMMERCE today called on the administration to put a check on illegal textiles instead of pursuing protectionist policies in its effort to revive the country's textile and apparel industry. "Stemming the flow of illegal goods would go a long way toward putting the U.S. textile and apparel industries back on their feet and is a better alternative than protectionism," the JOURNAL said in an editorial.

Referring to renegotiating the Multi-Fiber Arrangement (MFA) which will expire on July 31, the JOURNAL noted that developing nations want the pact liberalized to allow greater access for their goods to the United States, European and Japanese markets, while textile and apparel manufacturers in Europe and the United States oppose such liberalization. "The U.S. textile and apparel industry would like to see a more restrictive agreement resulting in the substantial reduction in imports."

The current MFA system of quotas and tariffs is already costing U.S. consumers a great deal of money, the JOURNAL pointed out. According to the Center for Study of American Business in St. Louis, MFA tariffs on textiles cost wholesalers some 3.55 billion dollars in 1984. The same study puts the cost of apparel tariffs at 13.23 billion dollars. These costs double at the retail level.

To complaints that more jobs in the textile industry will be lost without additional protection, the journal asked, "But what about the jobs of retailers and importers?" The Textile Protection Bill that passed in the house last year would have saved 71,000 manufacturing jobs, but a report by the Washington-based International Business and Economic Research Corp. says 62,000 jobs would have been lost in retailing and importing. Besides, a more restrictive MFA would hit hard the developing nations, many of which are large debtors, which rely on textile and apparel exports to meet their debt payments.

Further protectionism is not the answer to the problems of U.S. domestic industries. "There is a better way -- improved enforcement of U.S. textile and apparel controls by customs," the JOURNAL concluded.

#### HUANG ZHEN MEETS U.S. FRIENDSHIP DELEGATION

OW261927 Beijing XINHUA in English 1632 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Huang Zhen, president of the China-U.S. People's Friendship Association, met and feted here this evening a four-member group from the U.S.-China Peoples Friendship Association led by President Jean Troy.

#### U.S. GOVERNORS CRITICIZE REAGAN'S BUDGET CUTS

OW261113 Beijing XINHUA in English 0902 GMT 26 Feb 86

[Text] Washington, February 25 (XINHUA) -- State governors wound up their annual meeting here today criticizing the Reagan administration for unfair budget cuts that would hurt the various states and localities.

Democratic governors, who account for two thirds of the 50 governors, issued a statement saying Reagan's fiscal 1987 budget proposal is a "budget of disinvestment" that short-changes America's future. They were joined by many Republican governors in attacking Reagan's position.

Three days earlier, on the 22nd, the National Governors' Association issued a statement that "governors are not prepared to accept, and will strongly oppose, attempts to shift the current federal costs back to the states and localities." They argued that the states were faced with "enormous fiscal uncertainty" because they were not sure of the scale of federal budget cuts until September, whereas fiscal year for most states starts on July 1, as against October 1 for the federal government.

The governors estimated that aid to state and local governments would be cut by 16.1 billion dollars, or 19 percent, from current grants, with many programs eliminated thereof. The estimates were based on Reagan's budget proposal advocating a shift of the cost of many programs to the states and local governments. The cuts will affect the various states differently. The south, the midwest and the west will be hit especially hard because their economies are based on agriculture and oil industry, both of which are now in deep trouble. Sixteen states in these areas have already cut their budgets this year by 1 to 5 percent to avert deficits.

XINHUA ON GORBACHEV REPORT TO CPSU CONGRESS

OW270259 Beijing XINHUA Domestic Service in Chinese 0911 GMT 26 Feb 86

[Text] Moscow, 25 Feb (XINHUA) -- In a report to the 27th CPSU Congress, Gorbachev, general secretary of the CPSU Central Committee, proclaimed today that the statement on the question of disarmament he made on 15 January this year is a Soviet program and that the central orientation of Soviet foreign policy for coming years is to try to carry out the "concrete action program" set forth in that statement.

He said that the main objective of Soviet international strategy is to "provide the Soviet people with the opportunity to work in conditions of consolidated peace and freedom," and that at present it is necessary, first and foremost, to "put a stop to material preparations for a nuclear war."

Gorbachev denounced the "military policy for force" pursued by the United States and NATO countries during the first half of the 1980's and accused Washington of "remaining deaf to calls to halt the arms race." He stressed that the Soviet Union would ensure "the continuity of its foreign policy strategy, but this does not mean the simple repetition of what has already been gone over, especially in approaching accumulated problems. What is necessary is firmness in upholding principles and positions, tactical flexibility, and readiness for mutually acceptable compromises -- the aim being not confrontation, but dialogue and mutual understanding."

Referring to Soviet-U.S. relations, Gorbachev reaffirmed that the Soviet Union would continue to oppose U.S. efforts to realize its "star wars" program. He said that the response President Reagan made the day before yesterday to his 15 January disarmament statement agrees in general with some of the Soviet theses and considerations on questions of disarmament and security and "seems to contain some encouraging [ling ren gu.wu di 0109 0086 7849 5294 4104] opinions and theses, but these positive pronouncements are swamped in various reservations, 'linkages,' and 'conditions,' which in fact block the solution of radical problems of disarmament." From Reagan's letter, he said, "it is difficult to observe a serious readiness on the part of the U.S. authorities to embark in reality on a solution to radical problems of eliminating the nuclear threat."

Regarding the upcoming Soviet-U.S. summit, Gorbachev said that the meeting ought to produce practical results in the key areas of limiting and reducing armaments, at least bringing about agreement on two matters -- cessation of nuclear tests and abolition of U.S. and Soviet intermediate-range missiles in Europe. He said: "if there is readiness to seek agreement, the question of the time of the meeting would be resolved of itself."

Gorbachev also said in his report that the Soviet Union will "not relax in the slightest" in strengthening its national defense force and the fighting power of its Armed Forces in view of the complicated international situation at present.

Touching on the Afghan issue, Gorbachev proclaimed that the Soviet Union would like to "bring its forces in Afghanistan back to the homeland in the near future." However, he added that the "phased troop withdrawal" can only be conducted after "a political settlement is reached that provides a real end to, and reliably guarantees a nonresumption of, foreign armed interference in Afghanistan's internal affairs."

Speaking on the improvement of Sino-Soviet relations, Gorbachev sidestepped the three major obstacles, which are known to all, but emphasized once again the so-called "no harm to third countries." He said: "We can say with satisfaction that there has been a certain improvement in the Soviet Union's relations with its great neighbor -- socialist China. Differences in attitudes remain, particularly over a certain number of international problems. But we have to point out something else: The possibility in many cases of working together and coordinating with each other [xiang hu xie tiao 4161 0062 0588 6148] on the basis of equality and principle without harm to third countries." In addition, he said: "Thinking of the future, one can say that the reserves for cooperation between the Soviet Union and China are enormous. They are enormous because such cooperation is in the interests of both countries and because what is most dear to our peoples -- socialism and peace -- are indivisible."

#### TASS REJECTS U.S. ARMS COUNTERPROPOSALS

OW251240 Beijing XINHUA in English 1227 GMT 25 Feb 86

[Text] Moscow, February 25 (XINHUA) -- The Soviet official news agency TASS Monday dismissed U.S. counterproposals to the latest Soviet disarmament initiative as a "propagand manoeuvre" designed to block a "mutually acceptable accord."

The U.S. counter-proposals came in a letter President Reagan sent to Soviet leader Mikhail Gorbachev over the weekend in reply to the Kremlin's January 15 arms proposal calling for phased elimination of all nuclear weapons by the end of the century. According to a report in Monday's WASHINGTON POST that U.S. President Ronald Reagan proposed elimination within three years of all medium-range missiles in Europe and Asia. This was "unconstructive" and only a variation of the earlier "zero option," TASS said.

The Soviet news agency also charged that the U.S. proposal had been designed to gain an advantage over the Soviet Union and had blocked the Geneva talks on intermediate nuclear weapons.

#### TASS REPORTS MARCOS' EXILE FROM PHILIPPINES

OW260124 Beijing XINHUA in English 0119 GMT 26 Feb 86

[Text] Moscow, February 25 (XINHUA) -- The official Soviet news agency TASS, which had been accusing Washington of interfering in the Philippine's internal affairs, today quickly reported former Philippine President Ferdinand Marcos' exile abroad and the U.S. recognition of the new Philippine Government led by Corazon Aquino. However, TASS did not mention if Moscow would recognize the new Philippine Government.

President Marcos, who was accused of manipulating his country's general elections to keep himself in power and aroused popular indignation, left on a helicopter today along with his family for the U.S. Clark Air Force Base, 65 kilometers north of Manila, to board a flight to Guam Island on his way to exile.

SOUTH KOREAN OPPOSITION REJECTS CHON PROPOSAL

OW261949 Beijing XINHUA in English 1314 GMT 26 Feb 86

[Text] Pyongyang, February 16 (XINHUA) -- South Korean opposition party leaders Kim Tae-chung and Kim Yong-sam rejected on Tuesday the proposal made by "President" Chon Tu-hwan that the "amendment of the Constitution" would be postponed until 1989, according to the report from Seoul. The opposition party leaders said Chon's proposal is "not worth considering." They will continue "the 10-million-strong signature movement" for the "constitutional revision."

According to the report that Chon Tu-hwan insisted on postponing the discussion on amending the "Constitution" until 1989. Chon's remarks were made at a luncheon meeting Monday with top members of three political groups, including No Tae-u, representative of the Democratic Justice Party, Yi Min-u, chairman of the New Korea Democratic Party and Yi Man-sop, chairman of the National Party. Chon, however, proposed that "a special Constitution study committee" be set up in Parliament to prepare for the amendment. The Seoul radio said the "luncheon meeting" has helped ease the confrontation between Chon and the opposition.

Kim Tae-chung and Kim Yong-sam, co-speakers of the Council for the Promotion of Democracy, said it is inconceivable that the authorities asked not to launch any peaceful movement for the "constitutional amendment" before 1989. They stressed that the purpose of the opposition parties is not only to study the "Constitution" but to amend it. They said the "Constitution" should be revised before 1989, thereby, under the new system the presidential election could be held in 1988.

The opposition party leaders said they will continue the signature campaign and expand it to the whole area of South Korea. They said the authorities did not stop suppressing the people pressing for revising the "Constitution", and "there will be, at any time in the future, suppression." According to another report, the opposition party -- the New Korea Democratic Party held a meeting on February 24 and established a "headquarters of committees for the promotion of constitutional amendment." Some local representatives have signed their names during the meeting.

DPRK SAYS U.S. 'AERIAL ESPIONAGE' INCREASING

OW261939 Beijing XINHUA in English 1646 GMT 26 Feb 86

[Text] Pyongyang, February 26 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today accused the United States of having increased its aerial espionage above the east and west territorial waters of the country to 12 cases since the "Team Spirit-86" joint military exercises started.

A report from the KOREAN CENTRAL NEWS AGENCY (KCNA) said that today a "SR-71" high-speed, high-altitude reconnaissance plane infiltrated deep into the sky above the territorial waters east of Kosong on the east coast of DPRK. Later, the KCAN report said, the plane was sent once again into the sky above the coastal waters off Sonbong County, North Hamgyong Province. It noted that the total number of cases of U.S. aerial espionage into DPRK's air space has counted for 12 since the U.S.-South Korean joint war game started on February 10.

FURTHER REPORTAGE ON SITUATION IN PHILIPPINES

Aquino Meets Press

OW261512 Beijing XINHUA in English 1454 GMT 26 Feb 86

[Text] Manila, February 26 (XINHUA) -- President Corazon Aquino today called upon all Philippine people including former government officials to work together for the orderly transition of the government.

Speaking at her first press conference here since she assumed the presidency, she said she had a very cordial meeting with 12 Cabinet members of the former government and told them "to heal the wounds and forget the past and rebuild our country." Mrs Aquino said members of parliament from the former ruling party, the New Society Movement, are ready to cooperate with the new government.

Most of the questions asked by foreign and local pressmen at the press conference were concentrated on domestic problems. She emphasized that there are so many urgent questions needed to be taken up. She wished that the people would give her time as she had attained power for only 24 hours. She said she will never forget her promises made during her election campaign.

She said her first concern will be to improve the lot of the poor, the unemployed and the underemployed, and work hard on an economic recovery program.

She said the hidden wealth problem of the Marcos' family and the murder case of her husband will be handled by a presidential commission on good government. She denied she will ask for the trial of Marcos.

Dealing with her position on the two U.S. military bases in the Philippines, she reiterated that "I will respect the military bases agreement until 1991, and I am keeping my options open."

She said the relations between the Philippines and other countries will be better. She said she has received letters of congratulation from governments of Australia, New Zealand, Japan, Canada and the United States.

Defense Minister Juan Enrile said at the same press conference that there is no more military challenge to the new government and no more fighting.

Aquino Announces New Cabinet

OW261326 Beijing XINHUA in English 1306 GMT 26 Feb 86

[Text] Manila, February 26 (XINHUA) -- Philippine President Corazon Aquino today announced her full Cabinet at her first press conference since she took oath as the seventh president of the republic yesterday.

Salvador Laurel, vice president and prime minister, was named foreign minister  
Other members of the Cabinet are:

Minister of Finance: Jaime Ongpin  
Minister of Defense: Juan Ponce Enrile  
Minister of Justice: Neptali Gonzales  
Minister of Education: Lourdes Quisumbing  
Minister of Local Government: Aquilino Pimentel  
Minister of Public Works: Rogaciano Mercado  
Minister of Trade and Industry: Jose Concepcion

Minister of Agriculture: Ramon Mitra  
Minister of Tourism: Jose Antonio Gonzales  
Minister of Information: Teodoro Locsin  
Minister of Natural Resources: Ernesto Maceda  
Minister of Budget: Alberto Romulo  
Central Bank Governor: Jose Fernandez, who keeps his post.

Mrs. Aquino also formed a presidential commission on good government to be headed by Jovito Salonga, and a government reorganization commission headed by Luis Villafuerte.

#### Enrile Meets Press

OW261716 Beijing XINHUA in English 1549 GMT 26 Feb 86

[Text] Manila, February 26 (XINHUA) -- President Corazon Aquino today authorized Defense Minister Juan Ponce Enrile to seize all assets and funds of all casino installations operated by the former government, the PHILIPPINE NEWS AGENCY reported.

All private assets taken during the period of martial law were also placed under sequestration, Enrile said at a press conference today at Camp Aguinaldo, the site of the Defense Ministry. He said he would probably recommend to the president that all assets of business enterprises taken by persons close to the old regime should be treated with such an arrangement before they are returned to their rightful owners.

Enrile also appealed to all government officials and employees not to tamper with public records and must not take out any record from government offices.

The issue of retirable generals on extended service is being handled and a recommendation would be made to strictly enforce the military retirement law, he said. "Our main effort at this movement is to immediately start the professionalization of the military organization," Enrile added. He said appointment, promotion and assignment in the military services, including the police service, should be based solely on qualification and merit and not favoritism.

As to those who have guns or private armies and have used them against the people in various ways, Enrile said that they must now surrender their firearms before the military organization "will proceed against them."

Several members of the former ruling New Society Movement headed by former Prime Minister Cesar Virata went to Enrile's office this morning offering him the presidency of the party, but the defense minister refused. Enrile said he would remain neutral in the political activities of the parties in the country.

#### NEW ZEALAND'S LANGE GREETES PRESIDENT AQUINO

OW261235 Beijing XINHUA in English 1122 GMT 26 Feb 86

[Text] Wellington, February 26 (XINHUA) -- New Zealand Prime Minister David Lange today congratulated Corazon Aquino on her installation as Philippine president. Lange said in his message, "All New Zealanders join with me in expressing our deep sense of relief that the turmoil of the last few days has come to an end."

Concerning the possibility of a meeting with Mrs Aquino, Lange said there would be an opportunity to do so after the ASEAN conference is held in Manila at the end of June.

Lange also said that the departure of former Philippine President Ferdinand Marcos was "a great relief."

PHILIPPINES' MARCOS TO HAVE SAFE HAVEN IN U.S.

OW270134 Beijing XINHUA in English 0110 GMT 27 Feb 86

[Text] Washington, February 26 (XINHUA) -- Former Philippine President Ferdinand Marcos and 88 others accompanying him, who left Guam for Hawaii this morning, would have safe haven in the United States, White House spokesman Larry Speakes said here today.

Speakes told reporters that Marcos and his party left Guam on a U.S. C-141 transport aircraft for Hickam Air Force Base in Hawaii, where they will stay temporarily. Marcos had talked with U.S. authorities about the possibility of locating there, Speakes added.

The spokesman said that Marcos will remain at Hickam "for a period of time, at which we will be discussing with him his desires for his future, where he would like to go from there."

Guam Departure

OW261722 Beijing XINHUA in English 1555 GMT 26 Feb 86

[Text] Washington, February 26 (XINHUA) -- Former Philippine President Ferdinand Marcos left Guam at 8:54 a.m. today for Hawaii after a 13-hour stay at a U.S. air base there, it is learned here today. Marcos was being carried to Hawaii on a U.S. C-141 transport plane in the heavy rain. It will take eight hours for him to reach Hawaii. Marcos arrived in Guam yesterday from the Clark U.S. Air Base near Manila. Together with the exiled Philippine president were his wife Imelda, Gen. Fabian Ver, a close associate and former chief of Filipino military forces, and Ver's wife.

The Marcos party is 55 who all boarded the single C-141 plane.

There is no information where Marcos will go after his arrival in Hawaii.

Hawaii Arrival

OW270130 Beijing XINHUA in English 0107 GMT 27 Feb 86

[Text] Washington, February 26 (XINHUA) -- Former Philippine President Ferdinand Marcos, who left Anderson Air Force Base in Guam about eight hours earlier, arrived in Hawaii at 3:42 p.m. EST today.

Marcos, with a party of 88 people, left Guam on a U.S. C-141 transport aircraft to Hickam Air Force Base in Hawaii at 8:54 a.m. EST today (11:54 p.m. local time) after a 13-hour stay there.

White House spokesman Larry Speakes told reporters earlier today that Marcos would remain in Hawaii "for a period of time, at which we will be discussing with him his desires for his future, where he would like to go from there."

It was reported that Marcos, who arrived in Guam Tuesday night (local time Wednesday morning) from U.S. Clark Base in the Philippines, had suffered from lupus, a debilitating disease that affects his kidneys. But he did not go to the U.S. Naval Hospital there, Speakes revealed.

ASEAN URGES POSITIVE SRV RESPONSE ON CAMBODIA

OW261945 Beijing XINHUA in English 1310 GMT 26 Feb 86

[Text] Bangkok, February 26 (XINHUA) -- The Association of South East Asian Nations (ASEAN) in a statement distributed here today appeals to Hanoi for positive response to the proposal of the Coalition Government of Democratic Kampuchea (CGDK) on the solution of the Kampuchean problem.

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The statement dated February 24 in the name of the chairman of the ASEAN standing committee declares, "The ASEAN member states welcome the statement of the CGDK and strongly support the position of the CGDK as spelled out in the statement." The ASEAN statement says that the CGDK issued a statement on February 8, reaffirming its desire to seek a lasting and peaceful solution to the Kampuchean problem.

The CGDK stressed the important of national reconciliation among the Kampuchean people, free from external interference, as an essential element to a lasting settlement of the Kampuchean problem and also reaffirmed its readiness to enter into direct negotiation with Vietnam to discuss the basic elements of a just and lasting settlement of the Kampuchean problem, the statement adds. It stresses, "The ASEAN member states fully share the views with the CGDK that these elements are essential for a just and durable solution to the Kampuchean problem."

#### SRV TROOPS KILLED IN PHNOM PENH AIRPORT RAID

OW261101 Beijing XINHUA in English 0728 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- A special team of the Democratic Kampuchea National Army successfully raided Pochentong International Airport, about 5 kilometres west of Phnom Penh, February 12, according to Radio Democratic Kampuchea today.

During the 30 minutes' attack, which started at 10:25, p.m., 23 Vietnamese were killed, 30 others injured, and two aircraft and three ammunition depots destroyed the radio said.

#### U.S. GROUP ARRIVES IN VIETNAM FOR MIA TALKS

OW261506 Beijing XINHUA in English 1444 GMT 26 Feb 86

[Text] Hanoi, February 26 (XINHUA) -- A four-member U.S. delegation arrived here today for discussion on MIA issues with Vietnam. Paul D. Mather, head of the delegation, told XINHUA correspondent that they would discuss with Vietnamese officials on some details of the MIA issues, such as to furnish information of the missing Americans and take measures for searching the possible remains of American soldiers.

The delegation is scheduled to hold talks with a Vietnamese delegation led by a deputy chief of a department of the Vietnamese Foreign Ministry tomorrow, and to visit on February 28 a site outside Hanoi City where a U.S. aircraft crashed during the war.

It was said that the Vietnamese side might in the near future turn over the U.S. side a number of remains of Americans missing in the war. But Mather said he had not received any information on this matter.

#### THAI-CHINESE ASSOCIATION MARKS ANNIVERSARY

OW260846 Beijing XINHUA in English 0730 GMT 26 Feb 86

[Text] Bangkok, February 25 (XINHUA) -- The Thai-Chinese Friendship Association celebrated its 10th anniversary here tonight. The chairman of the association Chatchai Chunhawan said the association has made valuable contributions in promoting cultural exchanges and strengthening economic cooperation between Thailand and China.

Wang Fulin, vice president of the Chinese People's Association for Friendship With Foreign Countries, who is heading the Chinese delegation to the celebrations, said China wants to strengthen Thai-Chinese friendship and safeguard Asian and world peace.

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Zheng Tianxiang, visiting president of the Supreme People's Court, and his party were also invited to the meeting.

The Thai-Chinese Friendship Association was founded in February 1976, one year following the establishment of Sino-Thai diplomatic relations.

#### HONG KONG BASIC LAW COMMITTEE SEEKS ADVISERS

HK262031 Beijing XINHUA Hong Kong Service in Chinese 1356 GMT 25 Feb 86

[Text] Hong Kong, 25 Feb (XINHUA) -- To enable more people with specialized knowledge and extensive social influence to participate in the consultative work on the basic law, the Consultative Committee for the basic law of the Hong Kong Special Administrative Region of the PRC called a special session of the executive committee this afternoon. The session resolved to invite well-known Hong Kong personalities from various circles to act as advisers to the Consultative Committee.

Eighteen advisers have been invited, including lawyers, academics, people in banking and commercial circles, Hong Kong NPC deputies, Hong Kong CPPCC members, and both former and current members of the Executive and Legislative Councils of Hong Kong. Foreigners account for half of the total.

The special session also decided to invite a barrister to be legal adviser to the Consultative Committee.

A Consultative Committee spokesman disclosed that after formal letters of invitation are issued, a final decision will be made in agreement with the advisers who have been invited.

#### CHINA TRAVEL AGENCY LAUNCHED IN HONG KONG

OW260905 Beijing XINHUA Domestic Service in Chinese 1533 GMT 24 Feb 86

[Excerpts] Hong Kong, 24 Feb (XINHUA) -- The Travel Agency (Group) Company Limited in Hong Kong gave a cocktail party today to celebrate its inauguration and the establishment in the Overseas Chinese City in Shenzhen Economic Zone. Some compatriots, Overseas Chinese, and other Chinese and foreign guests.

Chairman of the Board of Directors of the company is Liang Lingguang. Huang Zhensheng and Ma Zhimin (concurrently general manager) are its vice-chairmen.

Liang Lingguang said at the party that it has been 58 years since the Hong Kong China Travel Agency was established in 1928. In recent years, with China opening to the outside world and Hong Kong achieving prosperity and stability, the company has continuously expanded its scope of service. It has now become a group enterprise handling tourism, freight transport, and trade.

The China Travel Agency Group now has 13 subsidiaries. It has branches in Thailand, the Philippines, the United States, The United Kingdom, Australia, and other countries, as well as offices in Guangzhou, Beijing, and Shanghai. The group and its affiliated enterprises have more than 6,000 employees.

Attending the party were Xu Jiatur, director of the XINHUA NEWS AGENCY's Hong Kong branch office; He Ying, vice chairman of the NPC's Overseas Chinese Committee; Zhuang Yanlin, deputy director of the State Council's Overseas Chinese Affairs Office; Yi Meihou, vice president of the All-China Federation of Returned Overseas Chinese; Huo Yingdong, president of Hong Kong's Chinese General Chamber of Commerce; and Zhen Xipei, vice mayor of Shenzhen City.

HONG KONG HOSTS HIGH TECHNOLOGY SYMPOSIUM

OW221830 Beijing XINHUA in English 1604 GMT 22 Feb 86

[Text] Hong Kong, February 22 (XINHUA) -- Hong Kong has the potential of being a center for technology transfer not only for itself but also for industrial cooperation with the Chinese mainland. This is the general view of scholars from various countries and regions attending a one-day symposium on high technology here today.

The executive director of the Hong Kong Productivity Council, S.K. Chan, said that although it seems unlikely that Hong Kong will create significant contribution in the advanced technologies, the city has scope for the increased development of technology-intensive business, the success of which depends on an essential technology infrastructure.

The vice-president and general manager of Motorola Semiconductors (Hong Kong) Ltd., C. Tam, said that Hong Kong's electronics industry has derived its growth from manufacturing 'fad' products or doing subcontract work on medium-size semiconductor-based systems.

To meet the challenges of the new age of "very large-sized integrated circuit," he said, the industry has to couple low-cost production with more engineering innovation in order to stay competitive.

Hong Kong's acting director of industry, A.G. Eason, said the government would take measures to assist achieving greater value added through application of modern production techniques.

S.C. Tam, an adviser of the Hakkaido Takushoku Bank, said that the Chinese mainland is developing a high technology base and export-oriented industries are being established in coastal cities and in special economic zones.

Currently Hong Kong is gradually moving into the high technology field, he said. There are thus plenty of opportunities for cooperation between the Chinese mainland and Hong Kong in high-tech industries, he added.

Li Chuwen, deputy director of the Hong Kong branch of XINHUA NEWS AGENCY, said that as the economic ties between the interior of China and Hong Kong are becoming increasingly closer, it is expected that they will be manifested in the scientific and technological fields as well.

ZHENG TUOBIN MEETS WEST GERMAN VISITORS

OW261343 Beijing XINHUA in English 1327 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, met here today Siegfried Lengle, secretary of state in the Ministry for Economic Cooperation of the Federal Republic of Germany, and his party. The visitors arrived here last Saturday. During their stay here, they discussed and reached agreement with Chinese officials on setting up an advanced technology training center in Tianjin.

TIAN JIYUN MEETS UK FOOD INDUSTRY GROUP

OW251426 Beijing XINHUA in English 1301 GMT 25 Feb 86

[Text] Beijing, February 25 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met a delegation from the British food and beverage group at the Great Hall of the People here this afternoon. Tian expressed the hope that China and Britain would conduct multiform cooperation in the food industry with positive results.

Led by Earl Jellicoe, chairman of the British Overseas Trade Board, and Sir Ronald McIntosh, chairman of the British Food and Beverage Group, the delegation arrived in Beijing February 23 as guests of the China Council for the Promotion of International trade. They held talks with leaders of the Ministries of Light Industry, Commerce, Foreign Economic Relations and Trade, and Agriculture, Animal Husbandry and Fisheries on the possibilities of cooperation between the two sides in the form of technology transfer, compensation trade and loan extension. The delegation will leave here tomorrow for a tour of Nanjing and Wuhan.

UK FIRMS DO NOT EXPECT BIG SDI CONTRACTS

OW261109 Beijing XINHUA in English 0911 GMT 26 Feb 86

[Text] London, February 26 (XINHUA) -- Most British high-technology companies interested in the U.S. Strategic Defence Initiative (SDI) research program are uncertain whether they will be in a position to win significant contracts under the 26-billion dollar SDI program, the FINANCIAL TIMES newspaper reported today. An informal poll of managers from 25 such companies found that only seven said they were optimistic about winning contracts valued at one million pounds or more in the later stages of the SDI program.

Last December Britain became the first country to join the U.S. SDI program, popularly known as "star wars". British companies are expected to win small research contracts cumulatively worth about five million pounds (7 million dollars) during the next year, the newspaper predicted. Last year, the British Government unsuccessfully attempted to get a U.S. guarantee to provide 1.5 billion dollars of star wars work for Britain.

At an one-day conference on star wars project organised yesterday by the Greater London Council and the European proliferation information center, Denis Healey, foreign affairs spokesman of the Labor Party, said that the Anglo-American agreement on British participation in the SDI program failed to secure assurances on the transfer of technology between the two countries. At the conference, John Bike, associate director for space policy of the Federation of American Scientists, said British companies could not expect star wars contracts in excess of about 60 million dollars over the five-year SDI research period. He said non-U.S. companies working on the program would probably receive a total of 300 million dollars, or about one per cent of the sum allocated to the project. This would be shared by companies from several countries, including West Germany, Italy and France.

DUTCH FOREIGN MINISTER ON MISSILE DEPLOYMENT

OW250916 Beijing XINHUA in English 0359 GMT 25 Feb 86

[Text] The Hague, February 24 (XINHUA) -- Dutch Foreign Minister Hans van den Broek said here today that parliamentary ratification of the Dutch-American accord allowing the deployment of 48 U.S. cruise missiles on the Dutch soil will not be a reflection on the Geneva arm control negotiation. The vote in Parliament, he said, "does in no way anticipate the outcome of the Geneva negotiations."

Speaking at a luncheon of the Foreign Press Association this afternoon, Van den Broek said that all NATO countries hope that "Geneva negotiations will ultimately lead to the elimination of all the intermediate-range force weapons at stake." He told reporters that Dutch Parliament will this week debate ratification of the Dutch-American accord on the deployment of U.S. missiles in his country by the end of 1988. If an agreement on a ban of all medium-range weapons is reached in Geneva before the end of 1988, he added, "no deployment of the cruise missiles will take place in the Netherlands in spite of a ratified agreement." However, the foreign minister noted that "as matters are, we cannot expect an agreement on the overall elimination of medium-range weapons to be concluded in Geneva in a week or two, or in a matter of a few months." So, he added, "the Dutch are still in the process of joining the steps taken as long ago as in 1979 by the NATO allies."

On Gorbachev's January proposal, Van den Broek expressed support for the U.S. "zero-option" and the "globality" principle. While appreciating some "negotiable points" in the Soviet proposal, he noted that the proposal does not "include missiles deployed in the Asian parts of the Soviet Union. "We can not arrive at a solution at the expenses of the security interests of our friends in the far east such as Japan and Australia," he said.

FRG LEADERS CALL ON SPAIN TO REMAIN IN NATO

OW260940 Beijing XINHUA in English 0841 GMT 26 Feb 86

[Text] Bonn, February 25 (XINHUA) -- Federal German leaders called on Spain to contribute more effort to the joint defence and development of Western Europe. Speaking at a lunch today in honor of visiting Spanish King Juan Carlos, Federal German Chancellor Helmut Kohl said he hoped that Spain will continue to stay within the North Atlantic Treaty Organization (NATO) and participate in the joint defence of the region. Spain will hold a public referendum on March 12 to decide whether it will remain in NATO.

Federal German President Richard von Weizsaecker said in his meeting with King Carlos yesterday that Spain's entry into the European Communities at the beginning of this year marked a new era of European expansion. Democracy in Spain has not only breathed new life into the country but also will help rejuvenate the whole European Continent, he noted. Carlos, who arrived here yesterday for a state visit to Federal Germany, told Federal German leaders that Spain's participation in EC demonstrates its willingness to play a more active role in building a united Europe. Spain will strengthen its ties with the Latin American countries within the frame-work of the community and contribute to EC's dialogue with Arab countries, the Spanish king added.

Carlos reiterated that Spain appreciated Federal German support for Spain's participation in the communities, adding that the support not only demonstrated Federal Germany's friendship with Spain, but also promoted the unity of Europe. In an interview with Spanish television correspondents today, Federal German Foreign Minister Hans-Dietrich Genscher also said that his government welcomes any Spanish decision to remain within NATO so as to strengthen the organization.

'VIGOROUS' GROWTH OF PRC-SFRY RELATIONS HAILED

OW230425 Beijing XINHUA in English 0221 GMT 23 Feb 86

[Text] Belgrade, February 23 (XINHUA) -- The vigorous growth of political and economic relations between Yugoslavia and China in the past decade has provided a sound basis for a further cooperation in the future, a senior Yugoslav official said.

In an interview published in the Zagreb daily VJESNIK Saturday, Dr. Mijat Sukovic, deputy premier and co-chairman of the Mixed Yugoslav-Chinese Committee for Economic, Scientific and Technological cooperation, said underway are negotiations between the two countries on 59 joint projects, 20 of which have been agreed upon. The two-way trade last year reached 166 million U.S. dollars and both sides wish that their economic relations will be enriched with forms of long-term cooperation, he added.

Expressing his confidence in the prospects of Yugoslav-Chinese economic relations, Dr. Sukovic noted that China had planned to launch many new projects in the years up to 1990 and in its modernization drive it will continue to make use of scientific-technological achievements, experience of economic development and funds of other countries including Yugoslavia.

Dr. Sukovic visited China late last year and had talks with his hosts on joint production of copper, coking coal, a brewery and on the participation of Yugoslavia in the construction of hydropower plants and the reconstruction of existing plants.

SFRY CONGRATULATES NEW PHILIPPINE GOVERNMENT

OW270410 Beijing XINHUA in English 0234 GMT 27 Feb 86

[Text] Belgrade, February 27 (XINHUA) -- The Yugoslav Government Wednesday joined other countries in recognizing and congratulating the new government of the Philippines led by Corazon Aquino. In a telegram sent to Aquino, Yugoslav State Presidency President Radovan Vlackovic expressed the willingness to develop friendly relations and cooperation with the new government, according to the Yugoslav news agency.

Meanwhile, the leading Yugoslav newspaper BORBA accused former Philippine President Ferdinand Marcos of being a dictator, under whose rule the Philippines became one of the poorest countries in Southeast Asia, it said. The newspaper said Marcos' exile in the United States symbolizes the beginning of a new era in the island country.

The newspaper said, however, the restoration of democracy in the Philippines still depends on whether the Armed Forces will "go back to its barracks" and its leaders will return various government posts to civilians.

MAURITANIA'S TAYA CONCLUDES VISIT, DEPARTS

Arrives in Shanghai

OW251335 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 24 Feb 86

[Excerpts] Colonel Taya, chairman of the Military Committee of National Salvation and head of state of Mauritania, while he was visiting in Jiangning County, Nanjing City, said China has already achieved remarkable results in rural reforms, pointing out that one convincing piece of evidence is Jiangning County itself, which increased the total value of its industrial and agricultural output by as much as 35 percent in 1985 as compared to the previous year.

Chairman Taya, who is deeply interested in China's rural reforms, went by car to visit Dongshan Town on the outskirts of Nanjing City -- the county seat of Jiangning -- this morning in the company of Governor Gu Xiulian and Cui Yueli, minister of public health in China. Hundreds of local people lined the street to welcome him.

Chairman Taya and party, accompanied by Minister of Public Health Cui Yueli, left Nanjing by special plane this afternoon for a visit to Shanghai. He was seen off at the airport by Governor Gu Xiulian and Mayor Zhang Yaohua.

Feted by Mayor

OW241336 Beijing XINHUA in English 1316 GMT 24 Feb 86

[Text] Shanghai, February 24 (XINHUA) -- Colonel Maayouia Ould Sid Ahmed Taya, chairman of the Military Committee of National Salvation and head of state of Mauritania, and his party were honored at a banquet given by Shanghai's Major Jiang Zemin here this evening. The Mauritanian visitors arrived here from Nanjing this afternoon.

Taya and his party visited three factories, a medical school and rural households in Nanjing earlier today. Gu Xiulian, governor of Jiangsu Province, and Zhang Yaohua, mayor of Nanjing, saw the visitors off at the airport upon their departure from Nanjing.

Departs For Home

OW261142 Beijing XINHUA in English 1056 GMT 26 Feb 86

[Text] Shanghai, February 26 (XINHUA) -- Maayouia Ould Sid Ahmed Taya, the Mauritanian head of state, left here for home this morning with his wife and party after concluding [words indistinct] visit to China. Before leaving Shanghai, Cui Yueli, chairman of the Chinese Government's Reception Committee and minister of public health, conveyed regards from President Li Xiannian and his wife to Taya and his wife.

Both President Li and Taya spoke of the friendly cooperation between China and Mauritania and of the importance of developing bilateral relations. Taya said his visit "is unforgettable and marks an important stage in bilateral relations." Taya praised China's economic restructuring and open policy to the outside world by saying "China's remarkable achievements in this field have [words indistinct] deep impression on me. We have seen during the visit the significance and effectiveness of these policies in China's development and in raising the living standard of the people." Yesterday, the Mauritanian guests visited two factories and the harbor in Shanghai.

SIERRA LEONEAN PRESIDENT CONTINUES VISIT

## Invites Hu Yaobang To Visit

OW262201 Beijing Domestic Service in Mandarin 1600 GMT 26 Feb 86

[Text] In a meeting with Sierra Leone President Momoh at Zhongnanhai on the afternoon of 26 February, General Secretary of the CPC Central Committee Hu Yaobang said: We are expanding the economy in order to make the people well-to-do and ensure their life improves with the yearly increase in production.

The meeting took place in a cordial and friendly atmosphere. President Momoh said: China is a true friend of ours, and the friendship between our two countries is great. He hoped to develop mutually beneficial cooperation with China.

Hu Yaobang said: All exchanges between the two countries should serve economic cooperation.

During the meeting, President Momoh extended an invitation to General Secretary Hu Yaobang to visit Sierra Leone. The latter accepted the invitation with delight. President Momoh gave a return reception at the Sierra Leone Embassy this evening. President Li Xiannian attended the banquet.

## Hosts Banquet

OW261746 Beijing XINHUA in English 1641 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Sierra Leone President Joseph Saidu Momoh said at a return banquet given by him in the Sierra Leone Embassy here this evening that his China visit was very fruitful. Chinese President Li Xiannian attended the banquet.

Momoh said China's efforts in expanding her economy had left a deep impression on him and strengthened his belief in South-South cooperation. He said, developing countries can benefit from comparing their experience and should work for the promotion of dialogues and cooperation among them.

President Li Xiannian said that in the past few days, leaders of the two countries exchanged views on major international and regional issues of common concern and an identity of views was reached. He said positive results were achieved in the discussions concerning ways to strengthen the friendly cooperation between the two countries in the political, economic and other fields, a new agreement on economic and technical cooperation will be signed tomorrow, he added. He expressed the belief that Sino-Sierra Leone friendly relations and cooperation would develop to a new height. Chinese State Councillor and Foreign Minister Wu Xueqian attended the banquet.

President Momoh and his entourage will leave Beijing for a visit to Guangzhou and Shenzhen tomorrow. This afternoon Momoh placed a wreath at the Monument to the People's heroes on the Tiananmen Square and visited the memorial hall for the late Chairman Mao Zedong.

MUBARAK ISSUES STATEMENT ON RIOT IN EGYPT

OW270142 Beijing XINHUA in English 0057 GMT 27 Feb 86

[Text] Cairo, February 26 (XINHUA) -- Egyptian President Husni Mubarak tonight described the security police riot as a stab at the Egyptian people who are working hard for the sake of their country.

In a broadcast and T.V. speech to the Egyptian people tonight, the president pointed out that the incident had taken place at a time when Egypt was exerting its utmost efforts for the sake of building and reconstruction in Egypt and was confronting difficult circumstances without adding new burdens on the people with limited income despite shortage in Egypt's primary resources.

The president said that last night groundless rumours were spread at the State Security Forces camp at Al Jizah Governorate, to the effect that the conscription period would extend one more year. Some elements exploited these rumours to incite the soldiers in the camp, he added. A large number of soldiers took to the main road and were involved in many acts of violence and sabotage that resulted in the destruction of a large number of cars, the burning of hotels and tourist establishments in the nearby areas, he recounted. The riot spread to some other security police camps in the neighboring areas and some groups armed with weapons and canons joined in the destruction of public shops and tourist establishments as well as transport means and they killed and wounded some security guards in these establishments, the president went on.

The president noted that the early hours of this morning witnessed similar sabotage in the governorates of Cairo, Al Jizah, al Qalyubiyah, Asyut, Sawhat and Ismailia which caused heavy damage to three big tourist hotels and the destruction of many public properties. The rioters stormed the Tura Prison in southern Cairo and they released some of the prisoners there, he said.

The president said that to confront these criminal acts it was necessary to clamp a curfew in Cairo and the related governorates and to assign to the Armed Forces the task of bringing the situation under control. He said, a large number of these elements that led the riots were apprehended and the general prosecution were conducting investigations. He declared that no foreign tourists were exposed to peril and the tourists in the areas of disturbances had been taken to hotels that were heavily guarded.

Mubarak declared: "The state cannot be merciful with those who masterminded these acts or with those who got involved in treason." The president assured all citizens that "such incidents cannot **break** through the firm home front as the awareness of the masses is capable of crushing these acts and confronting them with vigilance and strength."

#### Calm Restored

OW270102 Beijing XINHUA in English 0035 GMT 27 Feb 86

["Calmness Restored in Cairo (by Yu Yuanjian)" -- XINHUA headline]

[Text] Cairo, February 26 (XINHUA) -- Calmness has by large restored in greater Cairo, but a tense atmosphere still prevailed late tonight.

Sporadic shots were heard late this afternoon after the curfew was imposed on 16:00 local time in the city, but since sunset the city has been quiet. Few people were seen in the streets and some children were even spotted playing football in out-of-the-way lanes.

However, armoured carriers with soldiers holding machine guns and other weapons blocked the main crossroads and important buildings such as the premises of the prime minister, the People's Assembly, and the television and broadcasting centers. Traces of fighting between rioters and governmental armymen such as stones and burned cars were found in some areas. Newsmen who were allowed to pass through most crossroads were forbidden to enter the areas near the Pyramids and Ma'adi, from where the current security police riot started Tuesday night and spread today to the whole city and six other governorates.

More than 8,000 security policemen took part in the riot to protest a rumoured government decision to extend their conscription for one more year. About 1,000 university students in Cairo held demonstrations to support the security police this morning and some other anti-government elements also started to fight government troops. As this story is being filed, the government has announced all universities and schools closed pending for further notice but has not defined when the curfew will be lifted.

#### Curfew To Be Lifted 4 Hours

OW270146 Beijing XINHUA in English 0105 GMT 27 Feb 86

[Text] Cairo, February 26 (XINHUA) -- Curfew in the Egyptian capital of Cairo which started at 4:00 p.m. (14:00 GMT) will be lifted tomorrow from 10:00 a.m. to 2:00 p.m. (12:00 GMT) to help citizens get their needs, according to a MENA report tonight.

Meanwhile, permissions will be given to citizens whose work conditions necessitate to be outside doors during the curfew hours. It was announced here tonight to facilitate movement of the citizens. These permissions will be issued by police stations all over greater Cairo, the report said.

#### Opposition Condemns Sabotage

OW270436 Beijing XINHUA in English 0205 GMT 27 Feb 86

[Text] Cairo, February 26 (XINHUA) -- Five major political opposition parties Wafd, the Socialist Labour Party, the Liberal Party, 'Ummah Party and the National Progressive Unionist Party tonight condemned the acts of sabotage which part of Central Security Forces committed in Greater Cairo last night and today.

Mumtaz al-Nasir, chairman of the Wafd parliamentary body said that public establishments belong to the people and such acts aggravate the economic difficulties. He added that demands should be made through the legitimate channels. His party opposes any act of sabotage.

Ibrahim al-Shukri, leader of the Socialist Labour Party, said whatever the motives of these incidents, there should have been no damage inflicted on the citizens and public and tourist establishments. Ahmad al-Sabahi, leader of 'Ummah Party, said his party is opposed to any acts of violence.

Muhammad al-Shafi'i, vice president of the Liberal Party, said such acts of violence will jeopardize Egypt's prestige abroad and hurt the tourist business.

CUBAN COMPANY ORDERS THREE CONTAINER SHIPS

HK260601 Beijing ZHONGGUO XINWEN SHE in Chinese 1248 GMT 24 Feb 86

[Text] Shanghai, 24 February (ZHONGGUO XINWEN SHE) -- China has for the first time received orders from the Ocean Property Co. of Cuba for three 10,000-ton, multiple-purpose container ships, the building of all of which begins in Shanghai shipyard today.

The multiple-purpose container ships have apparatus for unloading containers and can hold 724 20-foot standard containers. If the unloading apparatus is removed, the ships can transport various goods and bulk cargoes. The main engine of the ship is the advanced 6,660-horsepower energy-saving diesel engine produced with imported technology by the shipyard. The ships can cruise at 15 nautical miles per hour. The ships' engine rooms are "unmanned engine rooms" with a high degree of automation. The ships can automatically move sideways, turn, dock, and undock, and incline when unloading cargo. The ships will also have much other new technology and equipment. The three ships will be built according to international technological standards.

According to the agreement between the two sides, the contract came into effect on 23 February. The first ship will be made available to the users 20 months after the contract came into effect, and the other two ships will be made available to the users at 4-monthly consecutive intervals after the first ship is delivered.

MA WENRUI MEETS VISITORS FROM COSTA RICA

OW261206 Beijing XINHUA in English 1135 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Ma Wenrui, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met Carlos Roversi, vice-chairman of the youth organization of the National Liberation Party of Costa Rica, and his wife here this afternoon.

Ma briefed the visitors on China's economic development. He hoped to see more contacts between youth organizations of the two countries. The couple arrived here Monday at the invitation of the All-China Youth Federation.

COSTA RICA, CUBA CRITICIZE U.S. AID TO CONTRAS

OW261853 Beijing XINHUA in English 1437 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- The Costa Rican and Cuban Governments have charged that more U.S. military aid to Nicaraguan anti-government forces will only serve to aggravate the situation in Central America, according to reports today from San Jose and Havana.

Costa Rican President Oscar Arias Sanchez Monday reiterated his opposition to the Reagan administration's decision to help the anti-government Contra guerrillas and urged that the U.S. should halt such assistance. The Cuban foreign ministry Tuesday released a statement calling for worldwide emergency mobilization against the U.S. move. The U.S. aid, the statement charged, could result in heavy losses of both life and property in the country and also worsen the regional crisis and bring dialogues on the Central American issue to a standstill.

The U.S. Government has persuaded Congress to provide 100 million U.S. dollars in aid to the Nicaraguan Contras, most of which will be used for new arms, the statement said.

ECONOMIC CONSTRUCTION AND LEGAL SYSTEM VIEWED

HK262255 Beijing LIAOWANG in Chinese No 7, 17 Feb 86 p 4

[Commentator's article: "The Legal System and Construction"]

[Text] Our country has made great achievements in economic construction and in reforming the economic structure; the situation is gratifying. This is generally acknowledged all over the world. At present, energetically grasping the legal system has become a pressing task when we are enhancing continuous development in construction and reform. If we do not energetically grasp the legal system, we shall not be able to ensure the smooth progress of socialist construction and reform. It is imperative to grasp construction with one hand and to grasp the legal system with the other in the course of attaining our magnificent goals. We should not grasp one and ignore the other. This is a long-term policy of our party and government.

Since the 3d Plenary Session of the 11th CPC Central Committee, the building of the legal system has attracted increasingly greater attention. New laws and regulations have been promulgated one after another. The NPC and departments concerned are accelerating the progress in perfecting the legal system.

At present, the most important thing in strengthening the legal system is to observe and enforce the existing laws, decrees, and regulations. A few individuals and departments, even certain leading cadres and leading organs, have violated state laws and party discipline, engaging in unhealthy trends, seriously infringing upon the interests of the state and the people, and undermining the construction and reform. If this situation is not corrected in good time and if such practices are allowed to spread unchecked, corruption, thievery, and bribery will run rampant, the common practice of the whole society will deteriorate, the consequences will be dreadful to contemplate, and the bright prospects of socialism will burst like a bubble. This cannot but demand the serious attention of the people.

We should mainly grasp two aspects of the legal system: One is to continue to perfect the laws and regulations and to conduct education on the legal system among all citizens so that each is conscious of the laws, understands them, and enforces them; and the other, a more important aspect, is to punish those who have violated party discipline and state laws and to seriously investigate and handle major and important cases. There is a saying concerning how to safeguard the solemnity of the legal system: "There should be laws for people to go by; all laws are binding; all laws should be strictly enforced; and those who have violated the laws should be investigated and legal responsibility should be affixed to them." The last two points are particularly important at present. If laws are not strictly enforced and if lawbreakers are not investigated and punished, laws and regulations will become useless.

Comrade Deng Xiaoping said: "All citizens are equal before the law and regulations, and all party members are equal before the party Constitution and party discipline. Everybody has equal rights and duties as stipulated by law. No one should gain extra advantages by unfair means, and no one should break the law. Anyone who has violated the law, no matter who he is, should be investigated by public security departments according to the law and handled by judicial departments according to the law. No one is permitted to interfere with the enforcement of laws, and no lawbreaker should be allowed to go free. No one should violate the party Constitution or party discipline. Any violator, no matter who he is, should be disciplined, and no one is allowed to interfere with the enforcement of party discipline. No violator of party discipline should be allowed to go unpunished." He has clarified everything.

At present, the central authorities have demanded that central organs and their cadres should take the lead in rectifying party style and in strengthening the legal system and that cases of central organs violating the laws and discipline should be investigated and handled first. This has been stated in the following guideline: No matter what meritorious deeds you have done, no matter how capable you may be, and no matter what senior post you may hold, you will be punished strictly according to the law and party discipline once you have violated them. We should not be indulgent toward violators. What they have done should be exposed without sparing anyone's sensibilities, and the idea of "not to be taken as a precedent" is not applicable.

The ancient scholar Han Fei said: "Laws should show no partiality toward officials and regulations should not be distorted. No wise or brave people should challenge the authority of the law." "Wise officials and capable people are all equal before the law." He also said: "If all laws are properly enforced against crimes, social order will be good and the country will be run well." What he meant is that everybody is equal before the law and that all lawbreakers should be strictly punished according to the law before the legal system can be effective and the country can become stable, united, and prosperous. This has been proved by the experience of Chinese history. The more than 30 years experience of New China has shown us that the legal system is linked with the destiny of the country. During the period when the party's guiding ideology is correct and the legal system is safeguarded and implemented, the country will enjoy a stable and unified political situation and its economic construction will develop smoothly. During the 10 years of turmoil of the "Cultural Revolution," the legal system was damaged and abandoned and the country was in a state of turbulence, the people suffered, and economic construction was most seriously damaged.

The legal system includes party regulations and disciplines as well as state laws. The state has laws and the party has regulations and discipline. Party discipline and state laws are legal stipulations. The party Constitution is the most fundamental party discipline and regulations. All members of the party, the ruling party of China, should pay attention to the building of the legal system and should set an example in observing and enforcing laws.

The legal system is a guarantee for the socialist democracy of the people. By systematizing and legalizing inner-party democracy and the democracy of the state's political and social life, we can greatly develop the people's democracy of our country. Comrade Deng Xiaoping said: "There will be no socialism or socialist modernization without democracy." The strengthening of the legal system will certainly ensure that the people of our country will be able to better exercise their democratic rights and that the 1 billion people will vigorously plunge themselves in the building of the socialist material modernization and spiritual modernization.

If we grasp construction with one hand and grasp the legal system with the other, the revitalization and rise of the Chinese nation, like a winged tiger, will be better ensured.

#### JINGJI RIBAO URGES OVERCOMING LIBERALISM

HK262048 Beijing JINGJI RIBAO in Chinese 21 Feb 86 p 1

[Editorial: "Resolutely Overcome Liberalism in the Political Field"]

[Text] At present, some leading organs are not strictly enforcing party discipline. As a result, liberalism has emerged and spread widely in the political field. This should be brought to our serious attention.

Recently, at a meeting of cadres of the central organs, a leading comrade of the central authorities pointed out: The main expression of liberalism in the political field at the present stage is that "some people do not study and implement the party's policies and principles and have turned a deaf ear to criticism and advice from party organizations. When they have complaints, they do not pour them out through normal channels, but just talk about them with other people regardless of who they are. They even spread grievances against and find fault with the party's line, policies, and principles. The essence of this practice of a very few is to advocate bourgeois liberalism. Some people are fond of hearing and spreading hearsay, stirring up troubles, and spreading rumors and slander. They most easily believe and spread malign and slanderous rumors." We must resolutely oppose and conscientiously overcome this kind of unhealthy tendency, which is extremely harmful.

In the eyes of some comrades, in order to achieve our purpose of straightening out party style and solving our problems, we have to do more than correct the errors of some people who have taken advantage of their power to seek private gains and deal with some cases of violating the law and discipline in the economic field. They regard the irresponsible political gossips and the phenomenon that there are "rumors and hearsay" everywhere as "trivial matters." Therefore, they do not feel angry with those people who have committed liberalism in the political field and do not expose and criticize them. Some have even chimed in with them. Obviously, their attitude and practice are extremely wrong. The people detest the unhealthy tendency of taking advantage of one's power to seek private gains and the violations of the law and discipline in the economic field, and the party organization and leading organs are making great efforts to deal with relevant cases and the people involved. All this is entirely correct. No matter who is involved, it is necessary to deal with the cases resolutely and firmly so that law and discipline may be enhanced. At the same time, it is also necessary to take resolute measures to check liberalism in the political field. We must not underestimate the great significance of checking this unhealthy tendency. As a matter of fact, in the areas and departments where liberalism has emerged and spread, there has already been a malignant influence on the strengthening of party unity on the basis of adhering to the Marxist line, on maintaining and developing the political situation of stability and unity, on promoting the socialist modernization drive and various reforms, and on striving for a fundamental improvement in party style as soon as possible. Liberalism is by no means less harmful than the error of taking advantage of one's power to seek private gains in economic and other fields, errors committed by a small number of people. How can a party organization with high combat effectiveness, a loyal member or cadre of the Communist Party ignore, tolerate, and give up struggle against such an unhealthy tendency, so seriously damaging to the interests of the party and the people?

With our efforts to overcome liberalism in the political field stifle criticism and suggestions and stop people from freely airing views? No. On the contrary, it will help further perfect our inner-party political life and develop socialist democracy. Since the 3d Plenary Session of the 11th CPC Central Committee, under the leadership of this committee, the whole party has taken resolute measures to eliminate "leftist" influence, encouraged people to emancipate their minds and to seek truth from facts, and endeavored to resume and perfect normal inner-party political life. As a result, the broad masses of party members and cadres have regained their democratic rights, lost for many years, and the political situation in which we have both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind and liveliness has reappeared again. This great progress in inner-party life can be seen by all. However, liberalism in the political field, which goes against the four basic principles and weakens organizational discipline, has nothing in common with inner-party democracy.

According to our party Constitution, all party members and cadres have the right to air different view about the drafting and implementation of the party's policies and principles within a certain range and in accordance with certain procedures. They can offer their criticisms on the work of party organizations and individuals. But under no circumstances are they allowed to run counter to the principle of democratic centralism and the guiding principles for inner-party political life and to do and say whatever they like; under no circumstances are they allowed to talk about democracy without centralism and personal freedom of speech without the party's unity of will and to randomly make remarks against the party's program, line, policies, and principles. If we do not stay within the bounds of this discipline and allow a small number of people to randomly make remarks and irresponsibly spread rumors or even to do whatever they like in order to air their grievances, there will inevitably be ideological confusion among the masses and the freedom of most people to fully air their views in accordance with the party's political and organizational principles will certainly be destroyed. Thus, inner-party democracy will be fundamentally sabotaged. Therefore, in order to really maintain and develop inner-party democracy regained after the 3d Plenary Session of the 11th CPC Central Committee, it is necessary to resolutely overcome liberalism in the political field and help the comrades who have this bad habit to rid themselves of political frivolousness so that they can enhance their sense of party spirit and conscientiously keep themselves within the bounds of organizational discipline and can become loyal fighters in studying and implementing the party's policies and principles.

Some comrades are not conscious that they have committed liberalism in the political field. Instead, they think that they are openhearted and above board. This is another example of confusing right and wrong. Of course, Communist Party members should be honest and openhearted. They should not conceal their political views but should say all they know to the party and say it without reserve. However, in no case does this mean that a party member can randomly air views against the party's line, policies, and principles without considering the surrounding circumstances, still less does it mean that he can stick to a wrong stand and make random comments on or spread suspicion against the party's policies and principles. "Say whatever is on one's mind" means one should be openhearted and say everything to the party and should be honest with his comrades. However, in political life, no one is allowed to "say whatever is on one's mind" in disregard of principles, or to make irresponsible and random comments. One should not say anything against the party's basic political stand and its policies and principles or anything that may undermine inner-party unity. This is the right way to obey the centralism and unity of the party and to maintain the party's political discipline and organizational discipline. Obviously, the comrades who have committed liberalism in the political field do not understand this. Their "honesty" or "saying whatever is on their minds" is actually an excuse for spreading groundless hearsay. Some of them have even divulged party and state secrets to their friends and relatives, resulting in serious leaks of secrets and violating party discipline and state laws. We should maintain sharp vigilance against this.

What efforts should we make at present in order to effectively overcome liberalism in the political field, which has been committed by a number of people? First, it is necessary to educate the cadres at various levels, especially the leading cadres, to strengthen their sense of responsibility to the party and their political sense of responsibility, so that they can unconditionally maintain unanimity with the party in ideological and political matters. Second, it is necessary to demand that leading organs at all levels take the lead in perfecting inner-party political life. On the one hand, it is necessary to further develop inner-party democracy so that the party members can fully air their views through normal channels. On the other, it is necessary to run the party strictly and strengthen political guidance in inner-party life. Without effective political guidance, there will be no vigor and vitality in organization life.

All party members and cadres, either ordinary working personnel or high-ranking leading cadres, should participate in organizational activities as scheduled and accept the party's supervision. It is necessary to conscientiously carry out criticism and self-criticism in organizational activities so as to help those comrades who have committed liberalism overcome their shortcomings and correct their mistakes, and to strengthen the solidarity and unity of the party. Third, it is necessary to enforce discipline seriously. All those who have pursued bourgeois liberalization or have encouraged other people to pursue bourgeois liberalization and who have violated party discipline and state laws should be investigated and dealt with seriously. This is also a kind of education, which will make those with no scruples in pursuing liberalism in the political field come to realize their mistakes and make more comrades learn from their lessons, becoming good party members and cadres who conscientiously observe principles and discipline.

#### FAIRNESS URGED IN GROWTH OF WAGES, BONUSES

HK260921 Beijing LIAOWANG in Chinese No 6, 10 Feb 86 pp 6, 7

[Article by Yu Youhai: "Do Not Compete With One Another For More Wages and Bonuses"]

[Text] It is quite natural that people always make comparisons about certain aspects of their daily life. There are many forms of comparison. Comparison with each other in regard to contributions and progress can inspire people to advance boldly. There are, however, other forms of comparison. For example, at present, many people and many units are constantly comparing the amount of wages and bonuses the other gets. This comparison, as a major factor contribution to the inflation of consumption funds, must be dealt with seriously.

Some comrades always like to compare our country's wage level with that of developed countries, and envy these countries for their high wage levels. Therefore, they are always unsatisfied even though their wages have increased considerably. Such a comparison is completely divorced from our national situation. Our country has a large population and a high employment rate. There are more than 110 million wage earners in our country, but our labor productivity is relatively low. This basic fact of a high employment rate and low efficiency determines that we have to accordingly follow a low wage system in our country; in other words, the wage level cannot be raised too high. If we ignore our national situation and rashly raise wages to a very high level, we will fail in our effort or we will manage to do it at the expense of national construction. In the latter case, people may benefit from the wages hikes for a while, but in the long term, due to a lack of funds, the state will be restricted in initiating new construction projects, and it will be hard to promote production. As the economy will fail to develop rapidly, we will lose material conditions for further wage increases and the inflated wage level will possibly be kept down once again. This has happened before. Some developing countries raised their wage levels in the process of industrialization; the high wage level has turned out to be a heavy burden on them in their efforts for economic development. This is a profound lesson. If we ignore the actual circumstances in our country and excessively raise wage levels too soon, the production costs of our products will increase and our products' competitive power will be weakened on international markets. As a result, we will lose the favorable conditions we currently enjoy, and the economy as a whole might shrink.

Other comrades like to compare their own wage level with that of other enterprises or trades. They do not try to discern through analysis why some enterprises and trades have a higher wage level. Their idea is that their wage level should not be lower than that of others; theirs must be raised whenever others' is raised. Even those enterprises and trades which make low profits, make no profits, or suffer losses always emulate others in raising their wage levels.

Even if short of funds, they would rather misappropriate production development funds or the circulating funds allocated for production in order to raise their wage level. This practice is no different from killing the goose that lays the golden eggs. If they continue to do so, they will neither be able to realize extended reproduction nor carry on simple reproduction. As a result, there will be no way to maintain high wages and high bonuses. Moreover, competition between different enterprises and between different trades will inevitably lead to egalitarianism and the practice of "eating from the same big pot." As such competition is unfavorable to stability and unity, it will inevitably undermine our efforts to build the four modernizations.

Staff members of some enterprises like to compare their wage level with that of party and government organizations. Last year a wage reform was introduced in party and government organizations and non-profit making service units, and the wages of cadres working with these organizations consequently increased. Staff members of some enterprises thought it was unfair to them since their wages were not raised along with those of cadres. Here we can prove their argument wrong by citing only facts without referring to the distinction between mental and manual labor. Last year, although wages of the staff members of government organizations and non-profit service units were adjusted, their per capita wage income and its growth rate were still lower than enterprise staff average wage level and its growth rate. Take the growth in the average wage income during the period from 1978 to 1985 as an example: The annual per capita wage income for staff members of units under ownership by the whole people increased from 644 yuan to 1,239 yuan, an increase of 92 percent; that for staff members of government organizations increased from 662 yuan to 1,173 yuan, an increase of 77 percent. The state is conducting an in-depth survey and making necessary preparations for the introduction of wage reform in enterprises. The argument that enterprise staff members have been at a disadvantage in the wage reform as compared with cadres is completely groundless. Perhaps some enterprise staff members are unaware of the actual situation. It is necessary to explain the truth to them.

In asking people not to blindly compete with each other for more wages and bonuses, we do not mean that the current wage system in China is so reasonable and perfect that no more improvement is needed. We definitely do not mean this. Today there is still inequality among the members of our society in terms of their living standards, and there is a great disparity in revenue between different enterprises and between different trades due to varying external conditions and unequal opportunities. The party and the government have noticed these problems and are trying to find a solution. The existence of these problems does not, however, support the claim for equivalent pay raises.

If one calmly thinks it over, one easily finds that the growth rate in workers and staff members wages in China has been high enough since the 3d Plenary Session of the 11th CPC Central Committee. In a number of years, wage growth rate even exceeded the national economy growth rate. Such a high growth rate, with the purpose of compensating for an unreasonably low growth rate in previous years, cannot be maintained all along in the future. The policy of distribution according to work we are currently practicing is aimed at overcoming egalitarianism and acknowledging disparity in remuneration while avoiding excessively great disparity. Slightly higher wage levels for advanced enterprises are reasonable. But these advanced enterprises should give appropriate consideration to other enterprises, and backward enterprises and trades must emulate advanced ones in regard to business management, product quality, material consumption, economic results, and social benefits, and must try to scale new heights. One must pay attention to raising production output and revenue, tapping more financial resources, and doing one's best to make the greatest contributions possible. Once the economy is developed and ample financial resources are at the disposal of the state, the vast number of workers and staff members will certainly have their wages raised and thus get rich step by step and group by group.

GUANGMING RIBAO ON LAYOUT OF PRODUCTIVE FORCES

## Part One

HK270357 Beijing GUANGMING RIBAO in Chinese 8 Feb 86 p 3

[Article by Chen Dongsheng: "The Layout of China's Productive Forces in the Period Leading Up to the Year 2000" -- Part One]

[Text] In line with fundamental guidelines proposed in connection with the CPC Central Committee's proposal on the formulation of the Seventh 5-Year Plan, we must analyze general trends in the distribution of our country's existing productive forces, study strategic policies concerning the layout of productive forces, and work out a blueprint for the layout of productive forces with Chinese characteristics. This is a matter that carries not only real but profound and far-reaching significance.

## I. The Significance of the Layout of Productive Forces

The layout of productive forces is a strategic question of long-term nature, bearing on the whole situation in the socialist economy. It involves economic, political, national defense, social, environmental, ecological, and many other aspects. It plays a guiding role in studying and formulating strategies for social and economic development in various areas. A rational layout can bring returns for as long as a century. An incorrect layout can have harmful effects which may also last for an entire century.

## II. General Trends in the Layout of Existing Productive Forces

1. Judged from the level of regional economic and technical development, there objectively exist three major economic zones, east, central, and west. Based on per capita industrial and agricultural output value, the ratio between the three zones is approximately 1:0.7:0.5. Based on per capita industrial output value, the ratio is about 1:0.45:0.25. The levels of economic results in production and construction also show zonal differences. As far as existing fixed assets, basic facilities, and intellectual, technical, economic management, information, and other soft resources are concerned, on the whole the east does well and the west does badly, with a gradual decline from east to west. As far as mineral, hydropower, land, and other natural resources are concerned, on the whole, the west is rich and the east is poor, with a gradual increase from east to west. There appear two opposite gradients.

2. As far as the relations between given points and wide areas are concerned, more than 320 cities have two-thirds of the country's fixed assets in the industrial fields, providing more than three-fourths of industrial output value and four-fifths of revenue. Given each city as the center, the level of economic development in surrounding areas generally declines in proportion to geographical distances where communications and transportation facilities are concerned. The density of urban distribution also gradually thins from east to west. As far as differences between the levels of economic development in cities and surrounding areas are concerned, the north shows greater differences than the south and the west even greater differences than the east. An analysis of different conditions of economic development shows that there are similarly two opposite gradients where given points and wide areas are concerned.

3. We must widely promote economic and technical cooperation that cuts across areas, tap the full economic potential in gradient differences, achieve the aim of enabling things of a different nature to make up for what is lacking in each other, bring comprehensive superiority into being, and stimulate the extensive development of productive forces. This is an important way to accelerate the development of the national economy and to put layout on a rational basis.

### III. The Principle Governing the Layout of Productive Forces

1. We must recognize and consciously apply objective laws relating to uneven regional economic development. Through uneven development of priorities over a given period of time and an orderly shift in emphasis in regional construction, we must gradually create a relative balance in layout in raising the overall level of national economic development. The realization of a balance in layout must have the improvement of an existing economic center as a starting point and as a foundation in extending layout to a new area. This is to enable the existing economic center to merge with the newly developed area, with the process of development proceeding at the same time or on an alternating basis.

2. In line with the objective laws governing the regional division of social labor, we must cooperate in regional division of work. We must make the fullest use of absolute benefits and relative benefits derived from the regional division of work, reach out for what is beneficial and steer clear of what is harmful, draw on our strengths, and overcome our weaknesses. On the basis of exploiting superior regional features, we must develop mainstay industries. Focusing on mainstay industries, we must develop facilities related to industries and their fundamental structure and form highly efficient regional economic complexes which have their own features and which complement each other. We must break thoroughly with the conventional practice of a region insulating itself as a separate system, and get rid of unnecessary overlapping points in layout. This is a road that must be followed in improving national economic results.

3. In keeping with the laws governing improvement in social labor productivity, and on the basis of differing natural and economic characteristics and technological features of various products and their raw materials, and the makeup of total costs for product conversion, we must give various relevant industries priority in choosing areas that best suit their own development. Agricultural products, minerals, and other products in the initial stages of processing that involve heavy losses of raw materials should be laid out near the raw material-producing areas. Products which involve slight losses of raw materials in processing, which do not lend themselves to easy transportation in their finished state, or which are of numerous varieties and required to meet frequently changing market needs, should be arranged near where the consumers are. Industries consuming a large amount of energy should be located near large-sized hydropower and thermal power stations and other sources of cheap electricity. High-technology products should be arranged near intelligence-intensive cities with proper conditions for cooperation.

4. In line with fundamental socialist economic laws and the demands of the laws of ecology, we must define the appropriate sizes of economic bases and towns. Industries should not be overconcentrated, nor should they be spread out too widely. This is to help production, give life every convenience, and provide environmental protection. On the whole, we must help in forming national and regional multilevel economic centers and, through comprehensive transportation networks, information networks, and circulation systems, enable various economic centers to stay in close touch with the large number of rural areas, bringing into being a national economic whole with a free flow of information and flexibility in operation.

5. With politics and national security taken into full consideration, we must enable the economic layout to help in accelerating economic development in time of peace and be capable of standing the test in time of war and effectively withstanding surprise attacks launched against us by hostile forces.

#### IV. The Layout of Productivity at Three Levels and Their Tasks

1. The tasks related to macrolayout are as follows: A) We must define economic zones and major economic areas, correctly select areas for priority construction during a given period of time, properly handle the relations between priority construction areas and nonpriority areas, and make proper arrangements for transferring and linking up where areas fixed for priority construction in different periods of time are concerned. B) We must define the orientation of various industrial sectors in the overall national layout. C) We must set the framework for the national transportation and electricity networks and the direction for the development of major industrial zones.

2. The task related to layout in between macrolevels and microlevels is to formulate strategies for regional economic development, with regional conditions and features in mind, given the realization of the main goal for national economic construction as the center.

3. The tasks related to microlayout are: We must arrange the layout of various facilities for production and life and facilities for the protection of nature in towns and villages. We must rationally choose the sites of factories and set the trend in the use of rural land and other resources and in the arrangement of crops.

#### V. The Delineation of Three Major Economic Zones: East, Central and West

1. The principle of delineation should be as follows: With emphasis on the existing levels of economic and technical development, we must, in the matter of delineation, give consideration to the recent momentum of development and pay simultaneous attention to administrative zoning and geographical position.

2. The east zone covers 11 provinces, municipalities, and autonomous regions -- Liaoning, Hebei, Tianjin, Beijing, Shandong, Jiangsu, Shanghai, Zhejiang, Fujian, Guangdong, and Guangxi.

3. The central zone covers 10 provinces (regions) -- Heilongjiang, Jilin, Nei Monggol, Shanxi, Anhui, Jiangxi, Hunan, Hubei, Henan, and Shaanxi -- and the central and eastern parts of Sichuan.

4. The west zone covers seven provinces (regions) -- Xinjian, Xizang, Ningxia, Gansu, Qinghai, Guizhou, and Yunnan -- and the western part of Sichuan.

#### Part Two

HK270401 Beijing GUANGMING RIBAO in Chinese 15 Feb 86 p 3

[Article by Chen Dongsheng: "The Layout of China's Productive Forces in the Period Leading Up to the Year 2000" -- Part Two]

[Text] VI. Regional Construction Priorities and Arrangements for Scheduling

1. With an eye to the national economy as a whole and in line with the strategic move of taking two separate steps over 20 years, national construction priorities in the period of the Seventh 5-Year Plan and the Eighth 5-Year Plan should be reserved for areas in the following two categories: A) The coastal area in the east zone; B) Areas set for construction in the central zone where several large-sized energy and raw materials bases are concentrated. This is of great importance in speeding the solution of the three problems of energy, funds, and technology that restrain the overall development of the national economy. It also plays an important part in guaranteeing smooth entry into a new period of economic revitalization in the 1990's.
2. Beginning in the mid-1990's, the central zone will gradually become a focal point of construction. Apart from continued efforts to take good care of energy bases, the Wuhu-Jiujiang-Wuhan-Yichang-Chongqing industrial zone along the Chang Jiang and the Lianyungang-Xizhou-Zhengzhou-Xian-Lanzhou industrial zone along the Longhai railroad will be further consolidated and strengthened to become a bridgehead in support of large-scale development in the west.
3. With the beginning of the 21st century, the emphasis on construction will shift to the southwest and the northwest with the realization of the CPC Central Committee's great idea of turning Guizhou, Yunnan, Sichuan, Xinjiang, Qinghai, and so forth into important economic bases.
4. The above projected layout is based on the national economy as a whole. Conditions vary with various industrial sectors. There must naturally be differences. For example, industries consuming large amounts of energy should, starting from now, shift over at an accelerated pace to the central and western areas with rich energy resources.
5. While the state is concentrating budgetary funds on carrying out priority construction, given control of the level of investment in fixed assets as a prerequisite, all areas should be allowed to rely on their own financial resources, or funds from outside a given area or from abroad, to carry out various construction projects that make for the overall growth of the local economy.

#### VII. The Strategy for Regional Economic Development in Three Major Zones

1. The East Zone -- We must develop favorable conditions that allow the tapping of relatively plentiful economic and technical resources and help economic and technical cooperation with foreign countries. We must "combine the introduction of advanced technology from abroad with domestic efforts to join forces in getting things done." Through adopting advanced technology from abroad, we must reform traditional industries and develop new industries, so that the old industrial bases can again be alive with youthful buoyancy.

To suit the transformation of an internally oriented economy in the direction of a combination of internally oriented and externally oriented types, we should readjust the industrial structure, the mix of products, and the composition of the sources of raw and other materials, and emphasize on developing technology- and knowledge-intensive industries. Focusing on an effort to increase competitiveness in export trade, we must energetically develop high-grade, precision, and advanced industrial products and also information and consulting services and other tertiary industries. In future, except for cases involving the use of specially available resources and resources from abroad, we should no longer undertake projects involving high consumption of energy and raw materials and large amounts of transportation. Existing industries involving heavy consumption of energy must gradually move over to the central and western areas. In a number of major cities inadequately supplied with water, the development of industries calling for heavy consumption of water must be strictly controlled.

In accomplishing the great task of quadrupling output, the eastern zone must bear the brunt and also play a role in "passing on experiences." The aim is to turn it into a base for developing new industries and traditional industries and for the use of new technologies to upgrade products, a base for training and providing advanced technical and management personnel for the whole country, and a main base for providing the country with consulting services, advanced technologies, and high-class consumer goods, and for earning foreign exchange from exports.

2. The Central Zone -- We must concentrate strategic action on the following four fields: A) The development and construction efforts related to energy (coal in the north and rivers in the south). B) The tapping of various metallic and nonmetallic deposits and the development of relevant raw materials industries. C) The development of certain new industries in existing large and medium-sized cities which are relatively solidly established industrially and have concentrated scientific and technical forces, and the technical transformation of conventional industries. D) The tapping of rich resources in agriculture, animal husbandry, and fishing and the development of appropriate processing industries and fodder industries; Meanwhile, attention must be paid to the development of given areas with concentrated defense industrial production and scientific research forces. Through cooperation between the military and civilians, the transfer of military techniques to civil industries must be speeded up. This is an important way to fully develop the role of existing massive industrial bases in raising technical and management levels and improving economic results.

3. The West Zone -- We must give full play to the superior features of existing industries and focus on tapping resources urgently needed by the state. We must properly combine necessary production and construction at the present stage with preliminary work preparatory to future large-scale development, strengthen the surveying and exploration of resources, and improve communications and transportation conditions. We must give full play to the superior features of agriculture, animal husbandry, and the fruit industry and energetically develop appropriate processing industries. We must expand border trade in a steady manner. We must energetically grow trees and grass, pay attention to environmental protection, and guard against ecological deterioration.

#### DONGGUAN CITY TRANSPORTATION PROMOTION PRAISED

HK260941 Beijing RENMIN RIBAO in Chinese 23 Feb 86 p 2

[Report by Li Kefu: "Guangdong's Dongguan City Paves Roads and Builds Bridges To Promote Transportation"]

[Excerpts] Guangdong Province's Dongguan City has attached importance to satisfactorily grasping the construction of transportation facilities; concentrated its labor, material, and financial resources on paving roads and building bridges; and thus established a communications and transport network linked by highways, waterways, and railways. Road and waterway transport is available to 90 percent of districts and town in the area. The development of communications and transport has promoted the circulation of commodities, advanced the readjustment of the rural production and labor composition, increased peasants' income, and thus made it possible to have even greater input in the further development of communications and transport undertakings. This benign cycle has enlivened the economy of the whole city.

The convenient communications facilitates the smooth transportation of both cargo and passengers. Last year, the total volume of cargo transport in the whole city was about 4 million metric tons, nearly 30 percent more than the year before. The total volume of passenger transport was over 12 million passengers, 35 percent more than the year before.

As the circulation of goods is unblocked, the peasants there have conscientiously readjusted the structure of their farming and animal breeding, and have had a free hand in developing the production of fresh and live commodities, earning a great income in foreign exchange. The city's output of sugarcane, vegetables, pigs, and fruit has risen sharply. Dongguan is the well-known hometown of Overseas Chinese. As it has convenient communications facilities, its investment environment has improved and thus attracted a large number of foreign businessmen to the city to make investments and carry out cooperative activities. Now the number of enterprises that process foreign goods, that carry out compensation trade, and that use joint Chinese and foreign capital or Chinese and foreign cooperation, already exceeds 1,650. The income from contracted processing of foreign goods alone was about \$65 million last year.

Last year, the per capita income of the rural population in Dongguan City already exceeded 700 yuan. When they are discussing the implementation of the CPC Central Committee's 1986 Document No 1, the peasants who have benefited by the development of communications vied with one another to express the view that they will continue to increase their investment in communications and transport, lengthen their roads, improve the surfaces of their roads, increase their vehicles and boats, and thus further enliven their circulation.

#### Commentator's Article

HK260951 Beijing RENMIN RIBAO in Chinese 23 Feb 86 p 2

[Commentator's article: "Strive To Improve Conditions for Circulation"]

[Text] A pressing problem in our current rural economic development is blocked circulation. Over the past few years, both central and local authorities have adopted a series of policies and measures to relax the control over and enliven our economy; persisted in carrying out brave reforms in our circulation, price, and taxation systems, and other spheres; and scored heartening achievements. However, these reforms are merely a beginning. In the circulation sphere, there are still many phenomena not suited to the demands of commodity production. As the rural commodity economy develops, the volume of the circulation of goods has risen sharply, but our conditions for circulation such as warehouse storage capacity, communications, post and telecommunications facilities, purchase and marketing networks, and the facilities to train corresponding specialized administrative and managerial personnel are all very insufficient. This is an important cause of the "jam" in rural circulation of commodities. The comrades doing rural work and the departments concerned should soundly and satisfactorily grasp the work of improving the conditions for circulation. This has become an important part of the task of providing socialized services for the development of rural commodity economy.

Production and circulation are two interdependent links in our commodity economy that promote each other. Where importance is attached to improving conditions for circulation, there is a relatively enlivened commodity economy. For example, Guangdong Province's Dongguan City has paid attention to satisfactorily grasping the paving of roads and building of bridges in the past few years and has thus promoted circulation with communications and enlivened its economy.

There are indeed many difficulties when improving circulation conditions. No matter which we improve -- warehouses, communications, or post and telecommunications -- it is necessary to invest a relatively great amount of funds, materials, and labor resources. At present, in addition to aid from the state, we rely especially on tapping the potential among the people. Our peasants' initiative in improving conditions for circulation is rising day by day. As long as we are good at rousing this initiative and organizing the peasants, we will be able to overcome many difficulties.

Dongguan City has raised 78 million yuan in funds in several years precisely by relying on the strength of the masses. They have built 17 bridges and over 200 kilometers of roads and purchased a large number of automobiles and motor boats. From this we can see that "the flames burn high when everybody brings wood to the fire." Taking from the people to help the people is an effective way to improve our conditions for circulation.

Generally speaking, improving conditions for rural commodity circulation is a great task of engineering in which there are projects related to networks and affecting the whole situation, as well as partial and scattered projects. Therefore, we must do a good job of macrocoordination. The departments concerned should give more help in formulating plans and giving technological guidance. They should also pay attention to actual results and to the principle of acting in accordance with our capabilities, prevent starting projects blindly and in a rush, a practice which may later give rise to projects remaining unfinished for a long time, thus wasting people's labor and financial resources.

#### ECONOMIC ACHIEVEMENTS OF PAST PLANS REVIEWED

HK241135 Beijing BAN YUE TAN in Chinese No 3, 10 Feb 86 pp 4-6

[Commentator's article: "How To Look at the Current Economic Situation"]

[Text] In one of his speeches Comrade Hu Yaobang pointed out: How to observe the situation constitutes a major branch of learning in Marxism. Only by correctly observing the situation is it possible to correctly determine our struggle's orientation, principles, and policies. In other words, correct formulation of the party's line, principles, and policies depends to a large extent on a correct analysis of the situation.

How should we look at the current economic situation in our country? Since the beginning of last year, the central leading comrades have dealt with this question on numerous occasions. It can be summed up in three sentences: The first is that the 7 years since the 3d Plenary Session of the 11th CPC Central Committee have comprised one of the best and most crucial periods since the founding of the PRC; the second is that the national economy has developed in a steady, stable, and balanced way and that the task of striving for a fundamental turn for the better in the state financial and economic situation has been basically fulfilled; and the third is that we have begun to find a way to build socialism with Chinese characteristics. The three sentences link an analysis of the situation with the party's line, principles, and policies and, from the situation as a whole, bring to light the general trend of China's economic development, thus instilling confidence in people and encouraging them.

The four outstanding features of China's economic development in the Sixth 5-Year Plan period are as follows:

First, the national economy developed in a balanced, stable, and coordinated way. An important criterion for judging an economic situation is to see whether the economic growth rate is appropriate and whether proportional relations are harmonious. Viewed from the growth rate, we have adhered to the principle of seeking truth from facts and advancing steadily. Our growth rate has been stable, and our situation is better year by year. The previous situation, characterized by great fluctuation, has changed. It can be said that we have brought to an end the history of repeated reversals in previous economic development caused by the practice of unduly seeking unrealistically high targets.

In the Sixth 5-Year Plan period, the total social output value, the gross value of industrial and agricultural production, and the national income increased at an average of about 10 percent annually.

With the exception of the First 5-Year Plan period, we never experienced such a situation of steady increase before the 3d Plenary Session of the 11th CPC Central Committee.

Viewed from the proportional relations, since the 3d Plenary Session of the 11th CPC Central Committee, we have conscientiously carried out the principle of "readjusting, restructuring, consolidating, and improving" and taken a series of measures to develop agriculture, to speed the development of textile and other light industries, and to conspicuously step up the production of coal, oil, and energy and the building of transport facilities and the building materials industry, thus changing a long-standing and serious imbalance between the different branches of the national economy. Now, agriculture, light industry, and heavy industry respectively account for about one-third of the gross value of industrial production. These proportional relations basically suit the current development level of the Chinese economy.

Second, industrial output value, national income, and financial revenue have risen simultaneously. That is to say, our country's economic development has shifted onto the path of stressing better economic results. This represents a measure of fundamental importance, setting right our guiding thinking in economic work in the wake of a switch in the focus of the party's work.

Before the 3d Plenary Session of the 11th CPC Central Committee, China's economic growth rate was quite high but its economic results were unsatisfactory. The increase in the country's economic strength and the improvement in the people's living standards was not commensurate with the work done by the people. At that time, China followed a path of high growth but poor economic results. In practical work, we often paid attention only to output and output value, without attaching importance to product quality and social demand. As a result, "industry reported the good news, commerce reported the bad, warehouses were overstocked with goods, and economic departments claimed false revenue."

After the 3d Plenary Session of the 11th CPC Central Committee, we first concentrated on solving the question of product marketability in order to simultaneously increase industrial production of unsaleable goods; later, we concentrated on turning deficits into profits and implementing a management system aimed at making up deficits and a system of personal responsibility in order to simultaneously increase industrial production, profits, and taxes. In the past 2 years, in an attempt to effect, as quickly as possible, a fundamental turn for the better in the state financial and economic situation, we have again taken as our objective the simultaneous development of industrial production, profits and taxes, and state revenue. In the Sixth 5-Year Plan period, industrial output rose at an average of 10.6 percent, and financial revenue at 10.3 percent, all simultaneously. Economic results improved markedly.

Practice has proven that concentrating on the attainment of better economic results is the objective of persisting in socialist production. It enables the masses to acquire more practical profit on the basis of increased state revenue.

Third, the public, collective, and individual economies developed concurrently. In the past, the practice of blindly making a transition from diversified economic forms to a unitary system of public ownership, restricting the collective economy, and rejecting the individual economy, which went beyond the development level of China's productive forces at the present stage, had seriously affected economic development for a time.

Since the 3d Plenary Session of the 11th CPC Central Committee, on the basis of upholding the leading position of the public sector of the economy, the state has adopted a series of policies and measures to encourage and support the collective economy and to appropriately develop the individual economy. A prosperous situation characterized by the overall development of numerous economic forms has emerged in the vast urban and rural areas. Of the city and town laborers, the number of workers and staff members employed by collective enterprises rose from 24.25 million in 1980 to 32.16 million in 1984; the number of self-employed laborers rose from 0.81 million to 3.39 million. Their proportion also rose from 23.8 percent to 29.1 percent. Of the gross value of industrial production, the proportion of the output value of collective industrial enterprises rose from 20.7 percent to 25 percent, individual industry accounted for 0.2 percent, and other economic forms (joint ventures between the state collectives, between the state and individuals, and between Chinese and foreign enterprises) accounted for 1.4 percent. The simultaneous development of numerous economic forms has not only promoted economic prosperity in urban and rural areas but also opened up new employment opportunities. More than 35 million people have been provided with jobs; this has promoted social stability.

Fourth, the policies of carrying out reform, opening up to the outside world, and invigorating the domestic economy have increasingly enlivened China's economy. Economic development in the past 5 years has shown that without thoroughly rectifying "leftist" errors and resolutely shifting the focus of our work, it would have been impossible to create an excellent situation today; similarly, without persisting in reform it would also have been impossible to create today's excellent situation. Since the 3d Plenary Session of the 11th CPC Central Committee, the reform of China's economic structure has gradually developed from the rural areas to the cities, from the collective economy to the economy under ownership by the whole people, from small to large enterprises, from the coastal areas to the interior, and from the easy to the difficult. In invigorating the domestic economy, we have taken invigoration of enterprises as a central link in reform and succeeded in smashing the rigid and closed pattern developed over a long time so that the enterprises have started to become relatively independent commodity producers and dealers. In opening up to the outside world, we have established 4 special economic zones and opened 14 coastal cities, broadening the scope of economic and technological cooperation with foreign countries. This has enabled our country's economy to begin switching from closed to open.

The economic structural reform has ushered in the most vigorous new period in economic development since the founding of the PRC. The economic vitality stifled by outdated economic structure is being liberated. As Comrade Hu Yaobang put it: First, we have indeed opened up a new situation and started a new period of rejuvenation or, at least, we have such a momentum; second, we have indeed found a way to build socialism with Chinese characteristics or, at least, we have seen such a general picture.

#### GROUP ARMY IN GUANGZHOU IMPROVES PARTY STYLE

HK261852 Beijing RENMIN RIBAO in Chinese 19 Feb 86 p 1

[Report by Zheng Suihua and Zhou Naisong: "Members of the Party Committee of a Certain Group Army Under Guangzhou Military Region Set Good Examples in Improving Party Style"]

[Text] Being strict with themselves, "all the members" of the party committee of a certain group army under Guangzhou Military Region have earnestly displayed an exemplary role in straightening out party style.

After the Army's CPC Committee Standing Committee was set up in May 1983, they first put a question to themselves: What does a new leading group rely on to earn their prestige and lead the troops well? After analyzing their characteristics of being young in average age, having insufficient qualifications and experiences, and so on, they obtained a clear understanding that first of all they must begin with straightening out their own party style. Only when "all members" set exemplary roles in party style, could they use their exemplary actions to influence and command troops.

When Political Commissar Lei Mingqiu's second son, who was studying in his hometown in Hunan, got sick, Lei happened to attend a meeting of the troops stationed near his hometown, so he made a detour to visit his ailing son. Afterward, he asked his adjutant to calculate the mileage of the detour and pay the fare for him in observance of the provision that members of the army party committee have to pay the fares necessary for private motor trips. Notwithstanding the sharp increase in the number of imported first class sedans, luxury cars, and air-conditioned cars over the last few years in the place where the army is stationed because of its proximity to special economic zones or that even leaders of the local township governments all ride in Toyota or Crown sedans, the leaders of the army are still using a Shanghai brand car and another Volga car distributed by the higher authorities.

The housing for the leaders of the army was all built in the early 1950's. In 1983, the military region appropriated a special fund to build new housing for cadres at the army level. However, while studying the building of new housing, they first thought of the poor conditions of the army office and the acute housing shortage problem of cadres, so they decided to put off the plan for building housing for leading cadres. After discussions with comrades of the logistics departments, the army leaders worked out a 3-year barracks building plan "to build multistoried dormitories, smooth the roads, and green the barracks area" and immediately started building the headquarters office building and dormitory building for cadres.

At that time, the veteran leaders who had withdrawn from the leading group still lived in their old residences, and five out of the seven new leaders of the leading group were staying at a hostel. Only in May last year when the office building for the headquarters and the political and logistics departments and three dormitory buildings, for cadres were completed and the majority of cadres moved into new homes, each composed of two bedrooms and one living room, did they start building the housing for the leaders at the army level.

Members of the Standing Committee of this group army hold that whether their children are well-educated is an important sign for judging their determination to straighten out party style. If they can only command thousands of troops but fail to manage their own families composed of several people only, a breach would be made in their effort to straighten out party style. Therefore, they pay special attention to not letting their dependents and children use their power and privileges or their names to seek personal gains and become privileged persons. The CPC Committee of the army has explicitly stipulated that children's admission into schools, work transfers, and promotions should all be arranged by the organizations concerned and that leaders and dependents should not interfere, bother, or even "drop hints."

Since members of the Standing Committee of the army took a good lead in straightening out party style, this has not only aroused the cadres and fighters' hope for an improvement in the party style but also made them understand life's truth. As a result, a good atmosphere of being proud of integrity and public spirit and ashamed of abusing power to seek personal gains has been created throughout the army.

YU QIULI ADDRESSES ARMY ACADEMIES CONFERENCE

OW262019 Beijing XINHUA Domestic Service in Chinese 1506 GMT 26 Feb 86

[Text] Beijing, 26 Feb (XINHUA) -- The ultimate goal of intensifying the development of Army academies and schools is to improve the quality of the Army and train officers with high military capability and political consciousness; the political consciousness of officers is of primary and fundamental importance, said Yu Qiuli, deputy secretary of the Central Military Commission and director of the PLA General Political Department.

Addressing the 13th all-Army conference of military academies and schools on 25 February, Yu Qiuli fully confirmed the achievements made by the academies and schools since the 12th all-Army conference. He said: Army academies and schools have trained large numbers of capable personnel and contributed greatly to our Army building. Army academies and schools have produced a heroic group of students who defied danger to rescue people in the Hua Shan and many advanced individuals who were tempered in the self-defense and counterattack forms of combat. The "student officers" assigned by the academies and schools to PLA units have won widespread acclaim from the cadres and fighters. All these are the best indicators of the achievements scored by the academies and schools.

Yu Qiuli pointed out: What is called political consciousness is the possession of a certain level of Marxist theory and a correct outlook on life and on the world. An officer with high political consciousness should uphold the four fundamental principles, resolutely implement the party's line, principles, and policies, and maintain political unity with the party Central Committee; he should imbue himself with a firm conviction in communism, serve the people wholeheartedly, and place the interests of the party and the people above personal gains; and he should have a strong sense of organizational discipline, consciously obey orders, and observe law and discipline. The crystallized manifestations of all these qualities are possession of ideals, morality, general knowledge, and discipline; ardent love for the party, the socialist motherland, and the people; and the heroic spirit to safeguard the motherland and be dedicated to the undertaking of national defense.

Yu Qiuli said: Stressing the importance of students' political consciousness is in keeping with the principle of "looking to modernization, the world, and the future." On the one hand, students should be taught to emancipate their minds and broaden their horizons by studying the world's advanced science and technology, knowledge and skills needed for the four modernizations, and future tendencies in the development of military science and technology. On the other hand, they should be taught to foster a sense of national pride and self-confidence in the future of our country and the cause of communism, and to have a clear sense of their obligations and responsibilities for the country and in the Army's modernization drive. Only by following these requirements in training officers can we keep our Army building abreast with the rapid progress in the world's science and technology and can we always retain our Army's characteristics and strong points.

Yu Qiuli discussed achievements, as well as problems, of the academies and schools in raising students' political consciousness in recent years. He said: In emphasizing the political consciousness of students, we should always uphold the party's principle of stressing both political integrity and professional competence, and develop the students in a comprehensive way -- morally, intellectually, and physically. We should not stress political integrity alone and make empty talk about political affairs while neglecting military and specialized knowledge. Precisely by attaching importance to the political consciousness of students will we enable them to have a clear and definite orientation in combat and allow them to pursue new knowledge, improving their skills with a tenacious and enterprising spirit.

With a higher political consciousness and good command of science and general and professional knowledge, the students will redouble their might and be able to develop their ability to the fullest.

Yu Qiuli pointed out: Currently it is necessary to raise the students' political consciousness in the following four aspects: 1) It is necessary to intensify and reform the teaching of Marxist theory. 2) It is necessary to vigorously step up ideological and political work. 3) It is necessary to cultivate good school style. 4) Leaders at all levels should assume the responsibility of raising the students' political consciousness. Yu Qiuli stressed: With higher political consciousness among Army cadres, the party and the people can rest assured.

#### YANG DEZHI STRESSES MILITARY EDUCATION

OW271747 Beijing XINHUA Domestic Service in Chinese 1500 GMT 26 Feb 86

[Text] Beijing, 25 Feb (XINHUA) -- The 13th all-Army conference of military academies and schools, which opened on 17 February, ended today. Yang Dezhi, deputy secretary general of the Central Military Commission and chief of the general staff, pointed out in his speech that Army academies and schools should promptly make strategic changes in their work in order to adapt themselves to the needs of the Army's peacetime construction, keep abreast with the pace of nationwide educational reforms, and make the best use of the golden opportunity made available by the new technological revolution.

With the CPC Central Committee's decision on reform of the educational system and the spirit of the Central Military Commission's enlarged meeting as the guidelines, the conference studied reforms of Army academies and schools in the light of the strategic shift in the guiding principle for Army building. Leading comrades from all Army academies and schools and major PLA units discussed and revised draft documents concerning reforms of the academies and schools and reduction-in-force reorganization of the Army. They also studied work and measures for carrying out structural reform and reduction-in-strength reorganization of the academies and schools.

Stressing the importance and necessity of making strategic changes in Army academies and schools in his speech at the closing of the conference, Yang Dezhi said: In order to truly achieve the strategic shift, Army academies and schools should change the guiding ideology for running schools to gearing education to the needs of the modernization drive, the world, and the future by training skilled personnel for current needs as well as for the Army's construction and development in the 1990's and the early 21st century.

Touching on the reform and development of Army academies and schools now and for some time to come, Yang Dezhi said: It is necessary to formulate strategies for developing the education of Army academies and schools by building a modernized military educational system step by step in keeping with China's circumstances and with the characteristics of the Chinese Army, studying and drawing upon the world's cultural achievements and advanced experiences, adopting effective measures to improve the quality of teachers, getting rid of the closed educational system and implementing an open school system, and exercising scientific management to invigorate Army academies and schools.

Deputy Secretaries General of the Central Military Commission Zhang Aiping and Hong Xuezhi attended and spoke at the conference.

LU XUN'S REPUTATION DEFENDED FROM BESMIRCHERS

HK260917 Beijing GUANGMING RIBAO in Chinese 19 Jan 86 p 4

[Article by Lin Mohan: "Warriors and Flies" from EAST WIND literary supplement -- reprinted on page 4 of 22 February RENMIN RIBAO]

[Text] When cherished by the people, any great son of the people will invariably come under attack and slander from some people. This is because he has violent passions of love and hatred. Inevitably he is cherished by those he loves and hated by those he hates. Lu Xun was one such great son of the people. In his lifetime, he was often slandered and cursed. This happened not only during his lifetime, but after he passed away, in the past as well as today.

Of late, an ill wind has been fanned to disparage Lu Xun and his works, with his works labeled "Lu Stuff." "A Madman's Diary," the first arrow ever shot at the feudal ethical code, is talked of as "a work of imitation." "The True Story of Ah Q," which portrays the spiritual weakness of the Chinese, and aims to function as a cure, is regarded as "initiating a dangerous example in the modern history of Chinese culture." "Regrets for the Past" is "an old-style scholar writing about love." And many other stories in the collections "Call to Arms" and "Hesitation" are "commonplace or inferior." "Wild Grass" has "fallen into the pit of ossification." "Stories Newly Told" is "game-playing in writing," and "third rate." "Dawn Blossoms Plucked at Dusk" "cannot be classified as genuine literary writing." As to Lu Xun's essays, "they serve as another example to prove the decline in Lu Xun's creativity," and "were written just to earn a living," are "lacking in literary value", and "the overwhelming majority of his essays will lose their value with changes in time and environment." Even Lu Xun's translation work is "disappointing," it is "clumsy and unreadable, and his translated version of 'The Dead Souls' serves very well as an example."

Can these things fall into the category of literary study and criticism? Clearly not. That is out and out unrealistic subjective assertion, vicious attack, and disparagement, without any sense of science. We have never held that differing views on Lu Xun's works should be ignored. In the article "Concerning the Annotation of 'Lu Xun Collection,' New Edition," I made the following statement: "People may study and explore the works of a great writer from different angles, and may have different understanding and interpretation, and people of different ages may have different understanding and interpretation." Therefore, I am not for adding an "explanatory note on the title or background" for every piece of work in the 'collection.' So doing would objectively create a 'statutory' explanation, which is undesirable. However, anyone who is fair and who has some historical conception and knowledge of literature will never make such irresponsible remarks and absurd attacks on Lu Xun and his works as those people mentioned above. This is really "frivolous writing holding others in endless ridicule"; however, those who turn their heads upward and spit into the sky will eventually find their own saliva falling into their own eyes. The editor of the journal which carried that remarkable article says: "This article does not represent the views of this journal." In that case, will you please lay bare "your journal's view," too?

It is a sorrow as well as a shame when some people sling mud at and destroy the cream of their country. Unfortunately, 6 decades ago, Lu Xun had already portrayed the face of such people: "When a warrior is dead, what the flies discover are his shortcomings and scars, and the flies feed themselves on his wounds, buzzing, much to their own satisfaction, for they think themselves more heroic than the deceased. However, the warrior is dead on the battlefield and can no longer fan the flies away. So the flies buzz with all their efforts, believing their buzzing immortal, because their completeness far surpasses that of the warrior."

True, none have discovered the shortcomings and wounds of the flies. However, a warrior with shortcomings is, after all, a warrior, and a perfect fly will always remain a fly." Compared with 6 decades ago, flies are much fewer in number now; however, they are not eliminated. Who says that Lu Xun's essays are outmoded? The poem Yu Dafu dedicated to Lu Xun puts it well: "The mobs have exerted their utmost efforts to stop the current of the river, but it just keeps rolling on forever!"

#### INSPECTION OF IMPORTS, EXPORTS TO BE TIGHTENED

HK260559 Beijing CHINA DAILY in English 26 Feb 86 p 2

[Text] The State Commodity Inspection Bureau is urging its local inspectors to tighten their surveillance on imports and exports in order to maintain quality and prevent waste, according to the newspaper ECONOMIC INFORMATION. The article said the duty of local inspection bureaus was not only to inspect imports and exports but also to help domestic exporters improve the quality of their goods. The State Commodity Inspection Bureau also plans to establish links with foreign counterparts to explore new channels for China's exports.

According to the newspaper, the bureau plans to rigorously enforce its inspection regulations for imports and exports and improve its instruments for inspection to raise efficiency. At the same time as tightening its checks on exports, the bureau will also improve its quality inspections of imports. According to the newspaper, some Chinese businesses have allowed quality inspections to slip and so some imported equipment and goods that have not been properly checked in the past few years, have resulted in large losses for the State.

Last year, the Anhui Provincial Metal Materials Corporation imported 9,800 tons of steel. The material, which had not been inspected, was found to have crevices and holes and so resulted in a loss of more than \$700,000.

The newspaper stressed that all imports and exports should be inspected. No imported goods that have not been inspected should be installed, marketed or put into operation. Violators of the regulation would be subject to fines. The bureau also asked Chinese trade organizations and businesses to take special care to inspect contracts thoroughly before signing with foreign businessmen for imported goods. Governments in various provinces, autonomous regions and municipalities have also been ordered to draw up their own regulations to tighten inspections.

#### TRADE UNION WORKERS VOLUNTARILY POLICE PRICES

HK260605 Beijing CHINA DAILY in English 26 Feb 86 p 3

[By staff reporter Jing Jun]

[Text] More than 24,000 workers affiliated with trade unions across the country are busy hunting down market profiteers and speculators. These volunteer price inspectors rush to the markets near their homes after a day's work to guard against illegal price hikes, cheating on the scales and poor quality of goods. Their efforts to protect consumers' interest is essential to China's price reform, a national conference on price inspection held in Tangshan was told this week.

Zhen Dongshen, an official of the All-China Federation of Trade Unions, told CHINA DAILY some 3,500 agencies of price inspection have been established in China during the past two years, employing more than 24,000 volunteer inspectors. They have handled 500,000 cases involving price hikes and cheating at markets scattered throughout urban areas, said Zhen. They have returned a total of 6 million yuan to customers and fined thousands of profiteers and speculators. Such agencies have spread to 22 provinces and 250 cities and act as indispensable watchdogs in the country's economic life, Zhen said.

Price surveillance by consumers was first started in Changchun, capital of Jilin Province and soon recognized by the State Price Bureau as an effective measure. Last year, the All-China Federation of Trade Unions and the State Price Bureau jointly issued a provisional regulation calling on the general public to encourage such a practice. In Jilin's neighbouring province of Liaoning, fines totalling 7.2 million yuan were collected from profiteering shops during the first half of last year. Efforts were stepped up to keep a watch on prices after the country lifted uniform price controls on meat, poultry, eggs and fish on June 1 last year in 35 major cities. However, the volunteer price checkers do not limit their inspections to market prices only but also check excessive tuition fees, illegal surcharges for services in restaurants, fake medicines and sale of imported used clothing.

#### ASPECTS OF COMMERCIAL ADVERTISING CONSIDERED

HK260817 Beijing GUANGMING RIBAO in Chinese 15 Feb 86 p 3

[Article by Liu Weizhoung: "The Characteristics of Socialist Commercial Advertising"]

[Text] Advertising is the offspring of a commodity economy. Socialist commodity economy and capitalist commodity economy differ in nature. Differences in principles also exist between them in advertising. Each has its own characteristics.

The value of political ideology: The value of political ideology in socialist advertising requires that consideration be given to the social benefits of the theme, wording, and visuals of the advertisement concerned, and that its essence be healthy. However, the basic aim of advertising is to introduce certain commodities to consumers, and it is necessary to correctly link advertising commodities with political propaganda. Advertising should introduce commodities to consumers and display political ideology.

The value of truth: Advertising should be truthful and scientific. It must truthfully introduce commodities to consumers and display their actual qualities and characteristics. Under no circumstances should fraud or exaggeration be used or the trademark of a name-brand product be pirated in advertisements. The value of truth is determined by the nature of socialist commerce. Therefore it is the basic characteristic of socialist advertising.

Artistic value: By the artistic value of advertising, we mean the particular choices made for the display of an advertisement. The artistic value is usually embodied in an explicit theme, an appropriate layout, harmonious colors, and liveliness, all of which become part of the people's cultural life. Artistic value must be subject to the theme and the value of truth in advertising.

Mass value: The object of advertising is consumers. Therefore, attention must be attached to the mass viewpoint of such publicity. The theme of the advertisement, how this is expressed, and the artistic means must be suited to the lifestyle and tastes of the Chinese people. They must portray the national characteristics as they really are.

The value of time and efficiency: This characteristic of advertising refers to the value of time and the results of publicity. The value of time in advertising means the timely renewal of commodities publicity to follow the market changes. The effects of advertising include social benefits and economic results. Advertising must embody the value of political ideology, with attention to social benefits. At the same time, attention must also be attached to the economic results of advertising. Economic results refer to the effects on expanding the marketing of commodities resulting from advertising. Included here is the difference between the advertising costs and profits realized, with profits intended to be greater than costs.

These characteristics of socialist advertising should become the principles for the advertising by industrial and commercial enterprises, as well as in advertising administration. Only by taking them as a guideline will it be possible to correctly apply advertising so as to stimulate the prosperous development of a commodity economy and to better serve the four modernizations.

#### ZHAO ZIYANG LAUDS HENAN'S ECONOMIC GROWTH

OW270213 Beijing XINHUA Domestic Service in Chinese 1133 GMT 26 Feb 86

[By reporter Fan Guanghua, Zhao Derun]

[Excerpt] Zhengzhou, 26 Feb (XINHUA) -- In the course of the readjustment of the rural production structure, Zhoukou Prefecture, Henan Province, which has a huge population, little arable land, and a weak industrial foundation, has relied on intensive operation and developed farming, fishbreeding, and processing of farm produce and animal byproducts. This has promoted a healthy cycle in the development of rural economy, and brought prosperity to peasants in the improverished Huang He flood zone. Recently Premier Zhao Ziyang and Vice Premier Tian Jiyun inspected Henan and showed their appreciation for this practice of developing the economy in line with local conditions.

#### LI PENG STRESSES UPGRADING OF OLD RAILROADS

OW262145 Beijing XINHUA Domestic Service in Chinese 1317 GMT 26 Feb 86

[By RENMIN RIBAO reporter Wang Lijiang and XINHUA reporter Huang Fengchu]

[Text] Beijing, 26 Feb (XINHUA) -- In a speech at a national railway work conference today, Li Peng, vice premier of the State Council, said: Railroad departments should upgrade old railroads and further tap potential in order to bring into full play their leading role in building a comprehensive and rationally structured transportation system in China.

While confirming the achievements made by the 3 million railroad staff and workers during the Sixth 5-Year Plan period, Li Peng pointed out in his speech that along with the development of the national economy, the strains on railroad transportation have remained, and it is necessary to make the best use of transportation capacities. Currently the average load of a freight train is about 2,200 metric tons, and most passenger trains are operated with 14 or 15 cars. But freight trains on a number of railroads are each loaded with over 3,000 metric tons, and an experimental freight train with over 7,000 metric tons has proved successful in sections of several railroads, while some passenger trains are operated with 20 cars. Of course, actual conditions vary with each railroad. If freight train loads can be appropriately increased and the number of cars and dispatches of passenger trains expanded, transportation capacities can be increased markedly.

Li Peng pointed out: During the Seventh 5-Year Plan period, we should build new railroads in a systematic manner, but should also focus our attention on upgrading old railroads. It is necessary to concentrate manpower, material, and financial resources on adopting new technology to upgrade those busy trunk lines in the eastern and coastal regions so as to greatly increase the overall transportation capacity. Railroad departments should formulate policies and give technical assistance to help various localities build railroads, especially to support localities with good economic efficiency and rich resources.

Li Peng said: The backward locomotive industry has directly affected transportation. Railroad departments should exert great efforts to carry out technological transformation of the locomotive industry in order to expand its production capacity and improve product quality. At the same time, it is necessary to step up lateral economic cooperation with other machine-building industries in a joint effort to push forward the locomotive industry.

YANG SHANGKUN VISITS FUJIAN'S QUANZHOU, XIAMEN

OW261025 Fuzhou FUJIAN RIBAO in Chinese 17 Feb 86 p 1

[Text] Yang Shangkun, member of the Political Bureau of the CPC Central Committee and permanent vice chairman of the Central Military Commission, inspected Quanzhou and Xiamen from 10 to 15 February, with the hope that the areas he visited would carry out their work well in the new year.

After visiting Quanzhou and receiving a briefing there, Comrade Yang Shangkun visited the Shishi consumer goods market in Jinjiang. He praised Quanzhou for doing a good job in developing the two types of civilization. In Xiamen, he heard reports from PLA units stationed in Xiamen and the leadership of the city of Xiamen, and toured various PLA units, rural areas, and factories to learn about the living and working conditions of commanders and fighters and of the people as well as about local construction work. He pointed out: The Army must help in building the special economic zone. All PLA units must understand the state's policy on special economic zones and help and support the construction work in these zones. He emphatically pointed out: Party rectification below the regimental level must be carried out in close connection with the practice of correcting unhealthy tendencies. The Army must spearhead efforts in correcting party style.

When he met party and government leaders and retired cadres in Xiamen City, Comrade Yang Shangkun said: Progress has been quite fast in Xiamen. We must persistently uphold the policy of opening to the outside world. As of now, we have not done enough in opening to the outside world. Our future is bleak unless we carry out reform and open to the outside world. Xiamen has excellent conditions for opening to the outside world. We must sum up our experience, continue our efforts, and unswervingly promote the policy of opening to the outside world in order to score even greater achievements.

YANG DEZHI ADDRESSES LANTERN FESTIVAL PARTY

HK251623 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1130 GMT on 23 February shows Yang Dezhi, Zhang Aiping, Hong Xuezhi, Li Jukui, and Qin Jiwei, identified by the announcer as "leading comrades of the Central Military Commission," attending a televised Red Star Evening Party to celebrate the Lantern Festival. The undated party was jointly sponsored by the editorial department of JIEFANGJUN SHENGHUO (THE LIFE OF THE PLA) and the central television station, according to the film caption. The PLA leaders are shown watching song and dance performances at the 69.5 minute party held in an unidentified auditorium. During the party Yang Dezhi, identified by a master of ceremonies as chief of General Staff of the PLA, is seen and heard delivering a speech. The following is the full text of Yang's speech:

"Our comrades attending this party come from various fronts. There are heroes and models. Some of them came from the frontline. On the frontline, they lead a hard life and fight heroically. The frontline has produced many heroes and models. Everybody has done a lot and has done very well in his work. During the new year, we hope that everybody will continue working harder. Our comrades on the frontline must guard the gate and strike powerful blows at the aggressor and the enemy so as to defend our country and safeguard our construction for the four modernizations. Our comrades on interior lines and in the rear must make a still better job of (?Army) work and further promote production, Army (?building) and military training. Lastly, we would like to thank some comrades of our Army for giving us many performances. We would also like to wish comrades attending this party success in their work and the best of health."

While some singers, including former Taiwan Air Force pilot Huang Zhicheng (Huang is identified by a master of ceremonies at the party as deputy commandant of a "certain" aviation academy of the PLA Air Force) are heard singing songs, there are unidentified film clips showing: soldiers keeping guard on the frontiers; Huang Zhicheng standing in front of a PLA Air Force plane and speaking with several pilots; Huang speaking with a pilot sitting in a military aircraft; and a military aircraft taking off.

FANG YI, OTHERS AT FUJIAN MASS CONCERT

OW241135 Beijing XINHUA in English 1045 GMT 24 Feb 86

[Text] Xiamen, February 24 (XINHUA) -- A parade marked the beginning of China's biggest biggest-ever "Nan Yin" (southern music) concert here Friday. More than 10,000 spectators lined the streets, which were decorated with lanterns and colored streamers. The four-day concert was attended by 460 musicians from 27 troupes. Over half of them are Taiwan, Hong Kong and Macao compatriots, and Overseas Chinese from the Philippines and Singapore.

Fujian Province is believed to be the place where "Nan Yin", melodies originating from the Tang Dynasty (618-907) was first developed. The music, popular in Fujian, Taiwan and the Chinese communities in Southeast Asia, was recognized as court music during the reign of Qing Dynasty Emperor Kangxi (1662-1721). Experts believe that it is the best preserved and most complete "living fossil" of ancient Chinese music. Since 1981, three Nan Yin concerts have been held in Fujian, and the China "Nan Yin" Society was set up in Fujian's Quanzhou City last year. The opening ceremony was attended by Li Huanzhi, president of the Chinese Musicians Association, and Zhao Feng, president of the China Nan Yin Society.

State leaders Fang Yi, Peng Chong and Ye Fei, Zhao Puchu, president of the Buddhist Association of China, and Zhang Guoji, chairman of the All-China Federation of Returned Overseas Chinese, wrote poems or a few words of encouragement for the concert.

WAN LI, DENG LIQUN, PENG CHONG HONOR ACROBATS

OW261338 Beijing XINHUA in English 1329 GMT 26 Feb 86

[Text] Beijing, February 26 (XINHUA) -- Chinese acrobats who had won prizes at international competitions were honored at a party here today. Senior Chinese officials Wan Li, Deng Liqun and Peng Chong met and presented certificates of merit to the acrobats. The acrobats performed at the gathering their award-winning items, including "group pole-climbing", "hoop jumping", "trick-cycling", "juggling" and "stunts on chairs".

DENG LIQUN ATTENDS SONG-WRITING AWARD MEETING

OW251049 Beijing XINHUA Domestic Service in Chinese 1451 GMT 24 Feb 86

[By reporter Yang Li]

[Excerpt] Beijing, 24 Feb (XINHUA) -- An award presentation ceremony was held in the Beijing Auditorium of the CPPCC National Committee this evening as part of the song-writing contest jointly sponsored by 19 provincial and municipal newspapers for youths entitled: "Dedicated to the Most Lovable People of the Contemporary Era." Souvenirs and certificates of honor were handed out to the winning song composers by Deng Liqun, Secretariat member of the CPC Central Committee; Yan Jici, vice chairman of the NPC Standing Committee; responsible comrades of the Ministry of Culture, the CYL Central Committee, Beijing Municipality, and the PLA General Political Department; and Sheng Gishun, combat hero from the Laoshan front.

DENG LIQUN VISITS NEWS PHOTOGRAPHY EXHIBITION

OW260405 Beijing XINHUA Domestic Service in Chinese 1321 GMT 25 Feb 86

[By reporter Yin Hongzhu]

[Excerpts] Beijing, 25 Feb (XINHUA) -- Lu Xiangyou, a celebrated photographer, who has worked and studied diligently for 38 years on China's news photography front, displayed 110 of his works to the masses today. Deng Liqun, Zhu Xuefan, Yang Chengwu, Rong Gaotang, noted photographers Shi Shaohua and Wu Yinxian, [words indistinct], and several hundred photography enthusiasts visited the exhibition to see the works. The exhibition, jointly sponsored by RENMIN RIBAO, the Chinese Photographers Association, the Chinese News Photography Society, and ZHONGGUO XINWEN SHE, will end on 6 March.

HU QIAOMU, DENG LIQUN ON SPRING FESTIVAL PARTY

OW230853 Beijing XINHUA Domestic Service in Chinese 1605 GMT 22 Feb 86

[Excerpts] Beijing, 22 Feb (XINHUA) -- After the telecasting of the Spring Festival gala party program last year, the central TV station received a large number of letters of criticism, accusation, and even protest. What do the people think of this year's Spring Festival gala party? At a discussion meeting this afternoon to review the 1986 Spring Festival gala party, representatives of workers, peasants, soldiers, students, and businessmen and central leading comrades concerned all agreed that this year's program was cheerful, sound, and humorous, and loved by everybody. Comrade Hu Qiaomu said: "I will give my opinion as a common viewer. The New Year's Eve party was great fun to watch. Any times I almost laughed my head off. It was truly enjoyable for old people. This year's Spring Festival program showed a great deal of improvement compared with that of last year. This shows that our party's principle of promoting socialist spiritual civilization can be realized through common efforts."

Deng Liqun said: "The different responses to the Spring Festival programs of last year and this year remind us not to underestimate the masses' ability to differentiate good from bad, and their level of appreciation. Our people are fond of healthy, elegant, and substantial works of literature and art. Some people think that literary and art works will lose their readers and audience unless they cater to vulgar tastes. This view proves untenable." Zhu House, Ai Zhisheng, and some of the working staff of the gala party attended today's meeting.

HU YAOBANG WRITES TITLE FOR LAOSHAN BOOK

SK250814 Jinan Shandong Provincial Service in Mandarin 2300 GMT 24 Feb 86

[Text] A ceremony to mark the publication of "Qianfang Laixin" ["Letters From the Frontline"], a book whose title was personally written by Comrade Hu Yaobang, was held in Jinan on 24 February. More than 400 persons attended the ceremony, including representatives from the PLA General Political Department, the CYL Central Committee, the Shandong Provincial CPC Committee, the Shandong Provincial CYL Committee, central and local publishing and press units, and various circles.

The book "Qianfang Laixin", which was selected and compiled by the Propaganda Department of the Jinan Military Region and published by the China Youth Publishing House, includes 127 letters from the commanders and fighters on the Laoshan frontline to their relatives in the rear. They truly demonstrate the commanders and fighters' lofty character and morals of sacrificing their lives for the country. This book has aroused the great attention of the central leading comrades and the broad masses of readers. Comrade Hu Yaobang wrote the title of the book. Peng Zhen, Xu Xiangqian, Li Peng, Yang Dezhi, Zhang Aiping and other comrades wrote inscriptions for the book. Comrade Yu Qiuli wrote the preface.

At the ceremony to mark the publication of the book, Chi Haotian, political commissar of the Jinan Military Region, said: The book "Qianfang Laixin" depicts echoes from the battlefield and the brilliance of youths. While reading this book, each and every person will feel that there is a strong spiritual force vibrating his heart. This force is what the soldiers on the Laoshan frontline called it the Laoshan spirit -- the communist spirit with selflessness and dedication as its core. Through publishing and reading this book, we should create a new surge in activities of learning from the heroes on the Laoshan frontline and make the Laoshan spirit of heroes strike a deeper chord in the hearts of the people.

Responsible persons of China Youth Publishing House, Xinhua book stores, Beijing publishing unit, (Sheng Qinghan), father of Sheng Qishun, a first-grade hero, and a representative of student from the chemistry department of Shandong University gave speeches.

SHANGHAI WEEKLY INTERVIEWS HU YAOBANG'S WIFE

OW230546 Shanghai City Service in Mandarin 0100 GMT 23 Feb 86

[Text] A special correspondent of the journal SHENGHUO ZHOUKAN [LIFE WEEKLY] recently paid a visit to Comrade Hu Yaobang's residence to interview his wife, Comrade Li Zhao. The weekly today carried the interview at a prominent space on the front page. Entitled "A Mother's Wishes," the interview reported their circumstances during the Cultural Revolution as well as their efforts to be good parents.

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HAN PEIXIN ATTENDS JIANGSU TECHNOLOGY EXHIBITION

OW210951 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 20 Feb 86

[Excerpts] An exhibition showing advanced equipment for Western-style clothes production lines offered by the Tokyo Juki Industrial Co., Ltd., and advanced sewing technology of the Toyobo Co., Ltd., Japan, opened this morning at the Youyi Garment Plant in Nanjing.

Among those attending the opening ceremony were Zhang Xuwu, vice governor of Jiangsu Province; (Wang Zhonghui), assistant general manager of the China National Garment Industrial Corporation; (Xu Yingrui), vice mayor of Nanjing City; and responsible persons from the departments concerned.

Han Peixin, secretary of the provincial CPC Committee, who once before visited the Tokyo Juki Industrial Co., Ltd., was invited to attend the opening ceremony.

The exhibition will last 15 days. During this period the Chinese and Japanese sides will conduct various technological exchanges and hold trade talks.

On the evening of 19 February, Han Peixin, Zhang Xuwu, and other leaders had a meeting with the Japanese guests.

JIANGXI CIRCULAR ON CORRECTING PARTY STYLE

OW241250 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Feb 86

[Excerpt] The general offices of the provincial CPC Committee and the provincial people's government issued a circular on 14 February calling on all leading cadres to lead party members and cadres in following the relevant regulations on correcting party style.

The circular pointed out: In order to correct the current unhealthy trends which prevail in our party and government organs, the provincial CPC Committee urged the leading cadres at all levels to earnestly implement the guideline laid down by the CPC Central Committee in this regard, the several circulars issued by the General Offices of the CPC Central Committee and the State Council on solving some serious problems with regard to the work style in party and government organs, the several regulations on simplifying the work of entertaining leading cadres on their inspection tours, and the decision adopted by the provincial CPC Committee on firmly correcting the party style. It called on them to play their exemplary role well and teach by personal examples as well as verbal instructions and become models in correcting the party style.

In light of the existing party style problems in the province, the provincial CPC Committee discussed and approved a regulation that forbids the use of public funds to give dinner parties or present gifts, a regulation that strengthens the management over the use of official automobiles, and a regulation on the building or distribution of private residential quarters by party members and cadres. It called on all leading cadres to lead party members and cadres in resolutely implementing all the regulations.

JIANGXI LEADERS PLANT TREES IN NANCHANG

OW241232 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Feb 86

[Text] At 0830 this morning, more than 500 functionaries of party and government organs, including leading comrades at the provincial and city level, planted over 2,000 saplings at the (Xianghu) aquatic products farm and along the (Fu-Xiang) and (Siang-Qing) highways in suburban Nanchang.

Participants in the tree-planting activities today included leading comrades of the provincial CPC Committee and the provincial people's government Wan Shaofen, Liu Fangren, Xu Qin, Pei Dean, Wang Baotian, (Ru Xiuzhen), (Wang Taihua), (Sun Xiren) and (Cheng Guizhen); Chairman Zhao Zengyi and Vice Chairman (Li Sheng) of the provincial Advisory Commission; Political Commissar Wang Guande and Deputy Political Commissar (Wei Chaian) of the provincial military district; Standing Committee Chairman Wang Shufeng and Vice Chairmen Wang Zemin, Zheng Xiaoxian, and Peng Shengxi of the provincial People's Congress; Vice Chairmen Yang Yongfeng, Liu Jianhua, and Wu Yongle of the provincial CPPCC Committee; Chairman (Zhu Zhihong) of the provincial Discipline Inspection Commission; Secretary (Li Aisheng) of the Nanchang City CPC Committee and Nanchang City Mayor (Chen Andong).

SHANGHAI: NEW 'COMPANIES,' 'CENTERS' TO CONTINUE

HK210855 Beijing ZHONGGUO XINWEN SHE in Chinese 0159 GMT 19 Feb 86

[Text] Shanghai, 29 February (ZHONGGUO XINWEN SHE) -- Recently, an official of Shanghai municipal industrial and commercial administrative bureau revealed that beginning from August last year, the municipality had sorted out and consolidated, 4,073 "companies" and "centers" which were newly established in recent years. Following this, some 70 percent of the "companies" and "centers" will have their business licences renewed and be allowed to continue their business.

It is learned that these "companies" and "centers" mainly engage in such trades as catering, maintenance services, services, processing, and consultative services in the areas of science and technology.

On the other hand, 151 "companies" and "centers" had their business licences revoked. This is mainly because these "companies" and "centers" violated the "trade mark law," the "economic contract law," the "patent law," the "interim regulations on supervising the registration of enterprises" during their operation. Some of them were controlled by criminals who engaged in speculation and other illegal means, thereby disrupting the normal operation of the social economy. But there were some "companies" and "centers" which voluntarily ceased their operation because they lacked the necessary conditions.

According to the responsible people of some "companies" and "centers" which are allowed to continue their business, the government's action of hitting at illegal operation has promoted our living and working in peace and contentment.

In addition, the official said: This work only involves the "companies" and "centers" run by local people, not joint ventures, enterprises, and companies solely or jointly run by foreigners and compatriots from Hong Kong and Macao. However, they must also observe the law of China.

ZHEJIANG TRANSFERS MILITIA TO LOCAL AUTHORITY

OW241438 Beijing XINHUA Domestic Service in Chinese 0847 GMT 24 Feb 86

[By correspondents Wang Yonggui and Wang Xiangui]

[Excerpts] Hangzhou, 24 Feb (XINHUA) -- The Zhejiang Military District has made active preparations to set up a system of transferring the people's Armed Forces departments to the local authorities. While paying full attention to ideological education, it also reshuffled cadres to strengthen the contingents of militia cadres in mountainous areas and coastal islands.

As of the end of February, the majority of the vacancies for militia cadres at the county and city levels have been basically filled, laying a solid foundation in handing over to the local authorities a leading militia body that is sound in ideology, fine in work style, and professionally competent.

There are vast mountainous areas and many coastal islands in Zhejiang. Half of the 89 county-level people's Armed Forces departments in the province are located in mountainous areas and coastal islands. Many localities lack transport facilities and people there lead a hard life. In order to fill all the vacancies of militia cadres, the provincial military district has kept its channels wide open for the exchange of cadres and succeeded in transferring more than 500 military cadres to the militia departments by promoting lateral exchanges of cadres and recruiting militia cadres from among discharged or retired Army cadres. It has transferred those cadres who love to carry out militia work and who are vocationally competent and willing to return and work in their native places to various militia departments. This has basically solved the problem of filling all the vacancies of militia cadres.

At the same time the provincial military district also attaches great importance to carrying out education among militia cadres on ideals. It has organized the people's Armed Forces cadres to study the decision made by the Central Military Commission on transferring the people's Armed Forces departments to the local authority and invited veteran militia cadres who have stayed and worked in mountainous areas and coastal islands for many years to talk about their experience and ideals. After receiving education, many militia cadres have done a good job in establishing the thought of settling down wherever they are needed.

#### ZHEJIANG PROVINCE HOLDS MEETING ON RURAL WORK

OW210453 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 20 Feb 86

[Excerpts] The Zhejiang Provincial CPC Committee held a meeting on rural work in Hangzhou from 14 to 19 February. Wang Fang, secretary of the provincial CPC Committee and Governor Xue Ju, attended and spoke at the meeting. The meeting pointed out that attention should be paid to grasping the following four tasks when carrying out this year's rural work:

1. It is necessary to firmly grasp grain production, actively develop a diversified farming operation, actively and properly adjust the production structure of the rural areas, and promote commodity production in an all-round way.
2. It is necessary to ensure the fulfillment of grain procurement tasks and the supply of nonstaple food products for cities.
3. It is necessary to vigorously develop socialized services, establish and improve the service network, and improve the management of commodity production.
4. It is necessary to do a good job in party rectification, strengthen organizational building at the grass-roots level in the rural areas, pay attention to ideological and political work, and strive to further improve party conduct and social customs.

The meeting pointed out: The key to successfully carrying out this year's rural work lies in strengthening and improving the party's leadership over this work. We should spend more time and effort grasping the improvement of ideology, organization, and work style, effectively strengthen ideological and political work and the building of spiritual civilization in the rural areas, firmly grasp party rectification in the rural areas from the beginning to the end, strengthen organizational building at the grass-roots level in the rural areas, raise the fighting power of party organizations at the grass-roots level, and strengthen the coordination of all sides.

## Wang Fang Speaks

OW251129 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 22 Feb 86

[Excerpts] At the provincial conference on rural work which ended recently, Wang Fang, secretary of the provincial CPC Committee suggested regarding the improvement of the commodity circulation system as a pressing task in deeply carrying out reforms. Comrade Wang Fang said: According to reports from various localities, peasants are happy that they are now free to do things and that the economy has been invigorated. However, they are worried that the risk remains high in carrying out commodity production. Those who do well become rich, while those who fail must suffer a great deal. He said: Following the development of commodity production, commodity circulation must be oriented to cater to both the domestic and foreign markets. In developing commodity production, we must take into consideration not only the current needs of society but also the future needs of society.

Wang Fang said: Promoting and improving the contract system is an effective measure for integrating peasants' production with the state plan and the market need. This year, we must regard the promotion of the contract system as an important matter for organizing commodity production in the countryside. Right now, we must, first of all, do a good job in signing contracts for grain procurement. We reformed the state monopoly system for grain purchasing last year. It was a tremendous step forward, and the orientation was absolutely correct. The province is prepared to adopt some measures to encourage peasants to grow and sell more grain to the state.

Contracts for the purchase of major sideline products such as hogs, fowl, eggs, and aquatic products are also necessary. After the contracts are signed, measures should be taken to ensure the fulfillment of such contracts.

WANG FANG AT LIGHT INDUSTRY MEETING IN ZHEJIANG

OW240538 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 21 Feb 86

[Text] A provincial meeting on light industry under the supervision of the second provincial light industry department ended today.

Attending and addressing the meeting were Wang Fang, secretary of the provincial party committee; Shen Zulun, member of the Standing Committee of the provincial party committee and vice governor of the province; and Wu Zhichuan, vice chairman of the provincial People's Congress Standing Committee.

The total output value of the province's light industrial enterprises under the supervision of the second provincial light industry department was 7,026 million yuan last year, increasing 36.9 percent over the previous year and ranking second in the country. In 1985, these enterprises paid taxes and made profits of more than 1 billion yuan, a 37.98 percent increase over the previous year. The profits made by collective enterprises continued to top that of such enterprises in all other provinces. Light industrial enterprises have also made new progress in tackling difficult scientific and technological problems and popularizing and applying new technologies.

In his speech at the meeting, Wang Fang, secretary of the provincial party committee, fully affirmed the achievements made last year by light industrial enterprises under the supervision of the second provincial light industry department.

He also set requirements for the further development of such enterprises this year. He said: In the spirit of the foolish old man who removed the mountains, we should persistently carry out reforms, promote technological progress, and do a good job in enterprise management and the development of new products in order to raise our economic results.

Comrade Wang Fang also stressed: These light industrial enterprises should pay close attention to product quality and raise their economic results by improving their product quality. They should produce famous brands of products and guarantee the quality of their products so as to be responsible to consumers and people.

ZHEJIANG'S WANG FANG ADDRESSES YOUNG SCIENTISTS

OW260509 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 25 Feb 86

[Text] Yesterday morning, more than 100 young and middle-aged scientists of the province were invited to a tea party given by Comrades Wang Fang and Shen Guifang and other leaders of the provincial CPC Committee. Wu Shiming, from Zhejiang university; Xia Yingwu, from Zhejiang Agricultural College; Su Jilan, from the No 2 State Oceanographic Research Institute; and 13 other comrades reported on their work and made suggestions and requests.

On behalf of the provincial CPC Committee and government, Comrade Wang Fang extended regards to the participants at the party as well as to the scientists and technicians throughout the province, hoping that they will strive to fulfill the province's Seventh 5-Year Plan.

Shen Guifang, head of the Organization Department and member of the Standing Committee of the provincial CPC Committee, also made a speech. She encouraged scientists and technicians to devote themselves to their work, persist in making reforms and innovations, and promote cooperation and unity.

SICHUAN ISSUES NOTICE ON GOLD PRODUCTION

HK230253 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 20 Feb 86

[Text] The provincial government recently issued a notice demanding that all places seriously strengthen control over gold production.

The notice points out that gold resources are owned by the whole people and protected by the state Constitution. No units or individuals are allowed to mine it without approval and authority. After prospecting, the state has the large scale gold deposits mined while prefectures, cities, autonomous prefectures, counties, and gold management departments have made unified plans for mining small deposits and scattered resources. They vigorously organized townships, towns, collectives, and individual undertakings to carry out mining. All individuals must apply to the county gold management departments for gold mining permits if they want to mine gold. When mining gold, it is necessary to pay attention to the protection of forests, grassland, arable land, communications and water conservancy facilities. All gold mined by enterprises and individuals must be promptly and completely handed over and sold to the state. Except for the banks, which can procure gold, no units or individuals are allowed to procure, exchange, resell, conceal, or retain gold for their own use. Public security and industrial and commercial administrative departments at all levels must coordinate with each other and resolutely crack down on the crimes of smuggling and reselling gold.

XIZANG'S WU JINGHUA AT MILITARY DISTRICT CPC MEETING

HK250909 Lhasa Xizang Regional Service in Mandarin 1130 GMT 22 Feb 86

[Text] On the afternoon of 22 February, Xizang Military District concluded its CPC Committee enlarged meeting. Entrusted by the Standing Committee of the regional military district CPC Committee, Political Commissar Zhang Shaosong made a report at the meeting on the basic situation of the 1985 work and the tasks for the 1986 work. Also, Commander Jiang Hongquan made a speech entitled: Get a Clear Idea Concerning the Situation, Establish Firm Faith, and Do Well in Correcting Party Work Style in a Down-to-Earth Manner.

They pointed out in their speeches that the units' basic guiding ideology and requirements for this year's work were to take as the principle the spirit of three central meetings and the military commission's enlarged meeting and forum, to strengthen ideological and political work, to strengthen the building of spiritual civilization, to strive for a fundamental turn for the better in party work style, to promote various tasks by focusing on streamlining and reorganizing the units, and to comprehensively improve the fighting capacity of the units.

All units attached to the military district, as well as leadership at various levels, must seriously carry out reforms, grasp the focal points, and make innovations. They should carry forward the spirit of the foolish old man who removed the mountains, be united and struggle hard, and make new achievements in such areas as reorganization, training, combat effectiveness, capital construction, and performing border sentry duty. Thereby, we could promote to a higher level the building of revolutionization, regularization, and modernization of PLA units attached to the military district.

The tasks for 1986 are great in volume and are significant. The CPC committees and leadership at various levels must manage to do well in the following points:

First, we must carry out reforms and conform to the general situation while emphasizing the focal points. We must seriously carry out and accomplish various tasks. However, we should not put all of them on a par. Instead, we should distinguish the major ones from the minor.

Second, we should promote the tendency of doing solid work, and advocate the mental attitude of creating a new situation. Cadres at all levels must set examples for others and take the lead in following the spirit of self-sacrifice. They should firmly establish the ideology of building Xizang with a long-term view, treating the border area as home and struggling hard. They should really overcome such problems as handling matters in a light way and inefficiency in some areas.

Third, we should improve the work style and methods of leadership. Leadership and organs at all levels must strengthen their study of Xizang's special conditions, and must get a deeper understanding of its characteristics. They should gradually master its special rules, and manage to use the skills learned to guide their work.

In conclusion they said: It is urgent and important that we should achieve a fundamental turn for the better within this year in party work style among the military district's units. All units attached to the military district must resolutely implement the central principle that when correcting the party work style and unhealthy tendencies, we must act in a resolute and unrelenting way. The units must also act to meet the requirement of doing more speaking less, which is repeatedly stressed by Comrade Deng Xiaoping. They should spend great efforts in conducting education on ideology and the concept of party work style, and in setting examples in the work by leading cadres. They should seriously carry out the instructions of the CPC Central Committee and the Central Military Commission, and the resolutions of the military region and military district on achieving a fundamental turn for the better in party work style. They should also make contributions to achieving within this year a fundamental turn for the better in the party work style of units attached to the district.

In the course of meeting, 71 leaders from various military subdistricts, brigades, independent regiments, and the military district's organs at department and bureau levels studied and discussed the speeches of central leaders, such as Hu Yaobang, Wang Zhaoguo, and so on, made at the central meeting of organ cadres; as well as those made by Yang Shangkun and (Zhou Ceyu) at the all-Army party rectification work forum of organs at and below regimental level.

The enlarged meeting adopted the revised resolution of the military district on striving to achieve within this year a fundamental turn for the better in party work style among units attached to the military district.

At the closing session of the meeting, Wu Jinghua, secretary of the regional CPC Committee and first political commissar of Xizang Military District, attended and made an important speech.

He stressed: Both the Army and localities must learn from and encourage each other in order to accomplish the work. They must jointly strive for a fundamental turn for the better in the party work style of the military district.

He said: The core of correcting party work style is the ideological line. Once there are problems concerning the ideological line, there will inevitably be such corrupt phenomena as the political development of liberalism and the economic development of unhealthy tendencies. This is closely related to problems left over from the Great Cultural Revolution. Without totally negating the Great Cultural Revolution, we shall fail in correcting the party work style of Xizang. Therefore, when correcting the party work style, the Xizang units should integrate their work with the education on going further in three respects, and grasp well the point of correcting the ideological line. They should further and firmly establish the thinking of serving the people wholeheartedly.

In Xizang, they should establish the thinking of serving the people of Xizang wholeheartedly. Last year, the regional CPC Committee Standing Committee held an enlarged meeting which put forward the suggestion of doing everything in three respects. This is the direction that the fighters should follow in their work. This is their bounden duty, that they should serve the people of Xizang.

When correcting party work style, the units should study the fine tradition of the Army, and set examples in implementing the party's policies toward minority nationalities and religion. For the units attached to the military district, this is also an important part of the building of socialist spiritual civilization. While helping the localities, the units should solicit opinions from the local units concerning their work, so as to heighten their level of thinking and strengthen the unity between the Army and the government, and between the Army and the people.

XIZANG SECRETARY WRITES TO STUDENTS AWAY FROM HOME

HK260937 Lhasa Xizang Regional Service in Mandarin 1130 GMT 23 Feb 86

[Excerpts from Wu Jinghua's letter to the Xizang class studying at (Hongguang) secondary school in Tianjin and Xizang classes studying in 15 other provinces and municipalities]

[Excerpts] Students: At a time when the Tibetans and people of other nationalities in Xizang were delightedly greeting the Year of the Tiger in the Tibetan calendar, and warmly celebrating the Spring Festival, the students of the Xizang class at (Hongguang) secondary school in Tianjin City sent me an enthusiastic cable extending holiday greetings. I was very glad to receive the cable and thanked them. On the occasion of the holiday celebration, I hereby extend my best regards and holiday greeting to all students of the Xizang class at (Hongguang) secondary school in Tianjin and Xizang classes in 15 other provinces and municipalities.

To prepare people in Xizang for warm celebration of the new year's day of the Tibetan calendar, the region CPC Committee and government instructed the regional Education Department to write comfort letters to you and your schools as early as January, and also sent you butter and zamba [a staple food of the Zang nationality] which I think you have already received. The gifts are small, but reflect the concern of the party and government and the deep feelings of the people in your hometown.

Students, you are the future of Xizang. Our Xizang is still backward at present. To become an advanced nationality, a nationality must have proper pride, make unremitting efforts to improve itself, and arm itself with science and technology. Xizang's invigoration relies on the advancement of science and technology. Xizang has selected outstanding students, such as you, to study in interior areas and will continue to do so during the next few years. This was a wise policy decision taken by the CPC Central Committee and State Council to develop all causes in Xizang, as well as a deep concern for the people of Xizang. This is of great strategic significance to swiftly bring about more and more useful people in Xizang, and to building a united, prosperous, and civilized new Xizang. I believe that you all realize this.

You left Xizang about 6 months ago, so you must miss your hometown very much. Here I delightedly tell you that the situation in your hometown is very good. Xizang is now implementing the spirit of three central conferences and the enlarged meeting of the Standing Committee of the regional CPC Committee.

Various practical economic nationality, religious, and united front work policies formulated by the CPC Central Committee for Xizang are now being carried out. It can be said that this is the best period since the peaceful liberation of Xizang in terms of the political and economic situation. Of course, numerous tasks remain to be undertaken in Xizang. To build a united, prosperous, and civilized new Xizang, it is necessary to rely on the efforts of our generation, and on the efforts of your generation in particular. The construction of Xizang at the end of this century and in the next century will be carried out by you. The motherland has great expectations of you, and the people in Xizang also have expectations of you. I hope that you will greatly treasure the opportunity of learning given to you by the party and people; not let the party and people in your hometown down; earnestly study Marxism-Leninism and Mao Zedong Thought; cherish a great communist ideal; and become new people who cherish great ideals, have moral integrity, are well educated, and observe discipline.

If you have any problems and requests in your study, you may write to me. If I have an opportunity, I will call on you.

In conclusion, I wish you health, happiness, progress in your study, and za xi de le [happy new year in the Tibetan language].

[Signed] Wu Jinghua

19 February 1986.

#### YUNNAN DISCIPLINE INSPECTION COMMISSION MEETS

HK230915 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 20 Feb 86

[Text] This morning at the administrative organs of the provincial CPC Committee's auditorium the provincial Discipline Inspection Commission held a meeting of secretaries of party groups and committees, heads of discipline inspection groups, and secretaries of discipline inspection committees of provincial organs, to convey and implement the spirit of the enlarged meeting of the Seventh Plenary Session of the Central Discipline Inspection Commission. The meeting stressed that this year it is necessary to concentrate our efforts on firmly grasping three things. These are, resolutely curbing several malpractices; conducting education in party spirit; and enforcing discipline. All these should be grasped, level by level, so as to achieve a basic turn for the better in the province's party style at an early date.

At the meeting, Luo Yuntong, member of the Central Discipline Inspection Commission and deputy secretary of the provincial Discipline Inspection Commission, first relayed the spirit of the enlarged meeting of the Seventh Plenary Session of the Central Discipline Inspection Commission. Yin Jun, Standing Committee member of the provincial CPC Committee and secretary of the provincial CPC Discipline Inspection Commission, then delivered a speech. He said that due to the importance attached by the provincial CPC Committee to straightening out party style, and the great efforts made by CPC committees and discipline inspection committees at all levels, and the comrades of the whole party, marked results have been achieved over the past 6 months in improving party style. The current problem is that some units and areas cannot keep up with the situation in ideological understanding and are slow in action. Some pay lip service only and do not take action. A handful of units even refused to implement relevant central leadership regulations and failed to strictly enforce orders and prohibitions. These problems are obstacles to our advancement.

According to the relevant spirit of the central leadership and the arrangements of the provincial CPC Committee, this year we must mainly grasp three things.

1. Earnestly implement the spirit of the National Conference of Party Delegates; implement relevant documents of the central leadership and speeches of central leading comrades; implement the spirit of the enlarged meeting of the Seventh Plenary Session of the CPC Central Discipline Inspection Commission; seriously straighten out the style of leadership organs, and eliminate various corruptions.
2. Seriously check up and reorganize various companies and centers, and resolutely correct the malpractice of party and government organs and cadres doing business and running enterprises.
3. Swiftly and seriously investigate and deal with important and major cases, assign the task level by level, carry the task through to the end, and concentrate our efforts to do our work effectively and in a down-to-earth manner.

Comrade Yin Jin said that in order to fulfill this year's task, we must stress five problems.

1. We must treat the spirit of relevant central instructions as the guiding thinking in our work; earnestly study the spirit; raise our consciousness; unify our ideas; strengthen our sense of responsibility to work; pay less lip service; do more practical things, and work hard.
2. We must give different guidance according to different conditions and strictly implement the responsibility system.
3. We must actively and steadily implement serious policies and regulations of the central leadership.
4. We must resolutely overcome political liberalism, which is also an unhealthy trend detrimental to the interests of the party and people and which must be resolutely corrected. Disciplinary action must be taken to deal with those who have made serious mistakes in this respect.
5. Provincial organs and Kunming City must set an example to the whole province in straightening out the style of administrative organs and party style.

Li Shuji, deputy secretary of the provincial CPC Committee, also delivered a speech at the meeting. Attending the meeting were Li Xingwang, member of the Central Discipline Inspection Commission and director of the provincial Advisory Committee, and (Lou Jiguang), deputy secretary of the provincial Discipline Inspection Commission.

NEI MONGGOL: BU HE SPEAKS ON PARTY STYLE

SK240340 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Feb 86

[Text] In his speech at the conference of party-member responsible cadres of the regional organs, which was held on the morning of 22 February, Bu He, deputy secretary of the regional CPC Committee, emphasized: Grasping the building of party style and straightening out unhealthy practices is an urgent task of party organizations at all levels at present. Heads and deputy heads of all units and departments should personally grasp the work. The organs directly under the region should set an example for the entire region with actual deeds and strive to realize a fundamental turn for the better in party style as soon as possible.

In his speech, Comrade Bu He, first of all, made an appraisal of the situation of the regional organs' party style from an objective point of view and in accordance with the principle of seeking truth from facts. He said: Looking at the general situation over the past few years, the main trend of the party style of the regional organs is good, and the situation in improving party style is getting better and better under the guidance of the CPC Central Committee and the regional CPC Committee and with the concerted efforts of the party organizations at all levels and the vast number of party members. The realization of a turn for the better in party style has favorably ensured smooth progress in the region's reform and economic construction; thus, our region's current political and economic situation is among the best since the founding of the PRC.

He said: While fully affirming the achievements in straightening out party style, we must understand that the results of the work of straightening out party style are not ideal, and that there exist many problems. At present, some departments and units, and a few party-member cadres and leading cadres are indulging in various unhealthy practices; some of them are even considerably serious. The several unhealthy trends pointed out in document No 57 of the central authorities do exist to varying degrees in our region. In particular, such unhealthy practices as using public funds to give dinners and gifts, gaining illicit income, and taking advantage of functions to engage in business even seriously exist. Some party-member leading cadres even seriously practice bureaucracy. For instance: Some party-member responsible cadres reaped staggering profits by engaging in speculation; some party-member responsible cadres watched obscene videotapes to the neglect of the repeated injunctions of the central authorities, and some party-member cadres seriously violated the discipline relating to foreign affairs while going abroad. Although these corrupt practices appear among only a small number of party-member cadres, they have seriously damaged the prestige of the party among the masses, marred the party style, interfered in the smooth progress of reform, and shaken the people's confidence in the drive of the four modernizations.

Comrade Bu He emphasized: An important task ahead of us at present is to enthusiastically go into action to conscientiously implement the guidelines on the series of instructions on straightening out party style given by the central authorities, to realistically solve practical problems in light of actual conditions, and to strive to make notable achievements in improving the party style of the regional organs within this year.

He said: First, we must attend to study. The leading party groups of all departments and bureaus should devote a period of time to study the speeches on party style delivered by central leading comrades recently and the documents of the central authorities in this regard. Through study, they should solve both practical and ideological problems and have a unified understanding of the current excellent situation, such as the situation of reform and party style.

Simultaneously, leading organs and cadres should take the lead in conducting comparisons and examination and focus on eliminating political liberalism and bureaucratic practices, unhealthy practices such as using their authority to seek private gains, being lax in discipline, employing persons and handling affairs by establishing personal relations in disregard of party spirit and principles, and plotting to safeguard the parochial interests of their own departments and units or small groups at the expense of the whole situation and the interests of the party and people. Through holding regular party activities of the organizations and heart-to-heart talks, and reviewing the party rectification work, leading organs and cadres should carry out criticism and self-criticism, conduct self-investigations, and correct their own mistakes.

Second, we should attend to major and appalling cases. Whoever violates party and administrative discipline should be handled resolutely in accordance with party and administrative discipline, and whoever violates the law should be handled according to the law. Activities of correcting unhealthy practices and dealing blows to economic criminals should be stimulated through investigating and handling major and appalling cases. The six unhealthy practices pointed out by the central authorities must be eliminated and corrected by 1 October. Major cases, about which the masses have many complaints, and that may bring about great damage, or involve many units and persons, should be handled overtly. We should take the major cases as negative lessons to strengthen education on party spirit, party style, party discipline and legality.

Third, we should attend to education. Comrade Bu He said: In order to straighten out party style, we must attach importance to grasping education regarding party spirit, ideals, discipline, Marxism-Leninism-Mao Zedong Thought, the party Constitution, and the guiding principle for inner-party political life; education regarding opposing the ideas and work style of individualism, bureaucracy, and liberalism; and education on the current situation, policies, and legality. We should closely link education on party spirit with actual conditions and carry out the education in a down-to-earth manner, but not in a formalist method. The education should be carried out vividly by citing both positive and negative typical examples. The regular party activities of organizations should be conducted rigorously.

Fourth, we should attend to the consolidation of discipline. At present we should resolutely implement the rules set forth in the present policies of the party and pay special attention to consolidating party discipline, personnel affairs discipline, financial and economic discipline, security discipline, and propaganda discipline. We should establish and improve various rules and regulations through consolidating discipline and strictly handle those who bring about serious consequences by not enforcing regulations.

Comrade Bu He called for efforts to strengthen leadership over the work of straightening out party style. He said: The regional CPC Committee called on heads of the leading party groups of departments and bureaus to personally attend to this work. The party organizations of all units should be inspired with enthusiasm to improve their work style and work methods, to timely understand the new situation and new methods, to strengthen leadership, to grasp policies, and to make efforts to ensure smooth progress in the work of correcting unhealthy practices and straightening out party style in accordance with the plans of the CPC Central Committee.

Tian Congming, deputy secretary of the regional CPC Committee, presided over the conference. Han Wengui, deputy secretary of the regional Discipline Inspection Commission, relayed the speeches on straightening out party style delivered by the central leading comrades, and the guidelines of the seventh plenum of the Central Discipline Inspection Commission.

SHANXI CPC COMMITTEE WORK MEETING CLOSES

HK240905 Taiyuan SHANXI RIBAO in Chinese 31 Jan 86 p 1

[Report: "Provincial CPC Committee Work Conference Concludes"]

[Text] The 9-day work conference of the Shanxi Provincial CPC Committee closed on 29 January. In his report given to the conference, provincial CPC Committee Secretary Li Ligong made a general appraisal of the work in 1985, put forth the general requirements for the work in 1986, and particularly demanded that leading cadres at all levels brace themselves and make great efforts to implement the policies. Provincial CPC Committee Deputy Secretariat Wang Senhao and Wang Jiangong, and provincial CPC Committee Standing Committee members Zhang Weiqing and Zhang Bangying separately delivered speeches on the structural reform, economic work, rural work, the strengthening of ideological and political work, and the rectification of party style. Du Runsheng, director of the rural policy research office under the CPC Central Committee Secretariat, gave a report on the situation of the reform in the rural areas in China and the future trend of development of the reform.

The conference reviewed the achievements made and the experience obtained on various fronts in 1985 and arranged various tasks for 1986.

The conference held that our province had made substantial progress and achieved relatively great success in the reform in 1985. First, during the in-depth development of the reform, the rural economy has been further invigorated. Second, enterprises have been invigorated as administration has been streamlined and decision-making power delegated to lower levels. Third, as the price and wage reforms have continued smoothly, the market has become prosperous, stable, and brisk, and the people's real living standards have been raised. And fourth, by attaching importance to strengthening macroeconomic control, we have ensured the healthy development of economic construction. The conference pointed out: The economic situation in our province is excellent, with economic construction developing steadily and harmoniously; the economy is growing at a moderate speed, and economic results have been improved substantially; multiple forms of lateral economic ties have been vigorously developed and the economic relations between cities and countryside, in particular, have been further strengthened; county-run enterprises and town and township enterprises have achieved conspicuous success in developing the cement, structural steel, and timber industries; and the weak links of the national economy and social development have been strengthened.

The conference put forth the guiding ideology for the province's economic work in 1986, namely, persisting in placing the reform before everything else, taking the enhancement of economic results as the key link, adhering to the principle of seeking truth from facts and progressing steadily, making unremitting efforts to promote both material and spiritual civilizations, and thus ensuring that the province's economy develops steadily and harmoniously. In accordance with this guiding ideology, we must pay special attention to the following five aspects this year: First, it is necessary to persist in placing the reform before everything else. On the one hand, it is necessary to consolidate, digest, replenish, and improve the achievements that have been made so far in the reform, to promote what is beneficial and abolish what is harmful, to solve outstanding problems, and to enable the reform to play a better role. On the other hand, it is necessary to conscientiously carry out investigations and studies, to initiate pilot projects, and thus to make preparations for taking important steps at the next stage of the reform. Second, it is necessary to strengthen administration and earnestly make the improvement of economic results the kernel of the economic work as a whole.

Economic results, as the important criteria for comprehensive appraisal of economic work, comprise many indexes, such as output, profits, quality, consumption, costs, invested funds, capital turnover, potential for earning foreign exchange, and so on. Among these indexes, quality and consumption are the most important, but the weakest links at the moment. This year, while attaching importance to two indexes -- output value and profits, we must also concentrate our attention on improvement of quality and reduction of consumption. Third, it is necessary to invigorate circulation, make the market brisk, and stabilize commodity prices. In order to invigorate circulation, we must unremittingly reform the existing circulation structure and continue to implement all the adopted reform measures. In 1986, the state will not put forth any more major measures in relation to the price reform. Instead, we will take action to consolidate, digest, replenish, and improve the reform measures that have been adopted, so as to enable them to play a greater role in promoting production and invigorating circulation. Fourth, it is necessary to implement the plan for reform of the education structure, as well as of the scientific and technological research structure, and to speed up personnel training and scientific and technological progress. The priority task in developing education is to make 9-year compulsory education universal. It is necessary to continue to readjust the secondary education structure and to vigorously develop vocational and technical training. It is necessary to introduce some changes in the old system under which institutions of higher learning are subject to excessive restrictions, to delegate greater decisionmaking power to the lower levels in regard to school operation, to strengthen the relations of institutions of higher learning with production, scientific, and technological research units, as well as other circles of society, and thus to invest institutions of higher learning with the initiative and ability to keep up with the needs of economic and social development. Fifth, it is necessary to step up the building of spiritual civilization and to improve the leadership method and style regarding the economic work.

In order to carry out the principles and policies laid down by the central conference on rural work held in December last year, the working conference of the Shanxi Provincial CPC Committee, in light of the actual situation in the rural areas in the province, put forth the general requirements for rural work in the province for 1986, which can be summed up as follows: implementing the policies, carrying out the reform in depth, improving the agricultural production conditions, organizing pre- and post-production services, and pushing the rural economy to develop steadily and harmoniously. In this connection, it is necessary to strengthen the role of agriculture as a basic production sector, to continue to readjust the production structure in rural areas, to safeguard and improve the basic conditions for agricultural production, to enhance scientific and technological research and popularization work, to make efforts to help change the face of poor areas, to perfect the cooperative system for rural areas with attention concentrated on services, to carry on the reform of the circulation structure, to take real action to lighten the peasants' burden, to step up the building of grass-roots organizations and the ideological and political work in rural areas, and to strengthen leadership over rural work. With the emphasis placed on the above 10 tasks, the conference laid down a series of principles, policies, and measures, in the hope that the 1986 central document No 1 will be better implemented.

The conference emphasized: We must not slacken our efforts in agriculture just because of the improvement of the situation in agriculture; also, we must not ignore investment in agriculture, even though the capital construction period for agriculture is long and it takes time for capital construction projects to produce the desired results; still less must we negate the role of agriculture as a basic production sector even though the proportion of agricultural output value in the GNP is declining. For this reason, the year 1986 is to witness a moderate increase in the investment in agricultural capital construction and in the portion of agricultural investment out of the funds put aside for technical transformation, as well as in agricultural service charges.

The provincial CPC Committee demanded that from 1986 on, all prefectures divert a substantial portion of their financial revenue to investment in agriculture.

The conference pointed out: The current situation on the ideological front in the province is good. From the stage of setting things to rights through to the stage of overall reform, our party committees at all levels and our comrades on the ideological front have made much effort and scored some results in upholding the four basic principles; in publicizing Marxist-Leninist theories, the CPC Central Committee's line, principles, and policies, and the reform; in carrying out the education in the idea of the "four have's" [lofty ideals, moral integrity, good educational background, and a high sense of discipline]; in eliminating "leftist" influence; in opposing bourgeois liberalization; and in building socialist spiritual civilization. In general, however, the results of our ideological and political work and our efforts in building spiritual civilization are not satisfactory, and many issues which still remain weak links have yet to be explored.

According to the work program drawn up by the CPC Central Committee and the provincial CPC Committee, in doing ideological and political work and building socialist spiritual civilization in 1986, we in the province are required, in general, to strengthen leadership, to make efforts to discover ways to improve our work, to be geared to the needs of the grass-roots level, to act in line with actual circumstances, to emphasize practical results, and to expedite the reform. We must fulfill several major tasks. First, we must continue to carry out the education in the situation and policies in depth, centering on the following questions: Whether the present period is one of the best since the founding of the PRC in terms of the political and economic situation, whether the economic reform policy of invigorating the economy at home and opening up to the outside world is correct, whether the line, principles, and policies adopted by the CPC Central Committee since the 3d Plenary Session of the 11th CPC Central Committee are in keeping with Marxism-Leninism, and whether the present period is one of the best and the most successful since the founding of the PRC in terms of our foreign policy. Second, we must do a good job in promoting education in ideals and discipline at different levels. For the vast numbers of cadres, in the main, it is necessary to strengthen their party spirit, enforce discipline, rectify the unhealthy tendency of seeking personal interests by making use of one's power, overcome bureaucracy, raise efficiency, and adopt the attitude of wholeheartedly serving the people. For the broad masses of workers, in the main, it is necessary to urge them to foster their sense of being the masters of society, to give full play to vocational ethics, and to do a good job in their positions. For young students, in the main, it is necessary to educate them to adopt a correct outlook on life and the world, and to have a correct understanding of the purpose of study. Finally, for the broad masses of peasants, in the main, it is necessary to strengthen education in collectivism and patriotism, and to help them correctly handle the relations between the state, the collective, and the individual. Third, it is necessary to strengthen the education in basic Marxist theory among cadres. Cadres in posts are required to systematically study the basic principles of Marxism, the history of modern and contemporary China, the building of the party, the economic and political history of the contemporary world, and the history of the international communist movement.

This year, they are required to concentrate their attention on studying the socialism section of "Political Economy" and the relevant important documents issued since the 3d Plenary Session of the 11th CPC Central Committee. Fourth, it is necessary to build civilized units in accordance with high standards and strict requirements. It is necessary to continue to promote various forms of activity of building civilized units either on one's own or by joint efforts, and to introduce these activities to shops, schools, plant workshops, teams and groups in factories, and residential blocks. It is necessary to continue to promote the activities of "civilized families" in the vast countryside, towns, and cities.

It is necessary to make efforts to bring about a substantial improvement of the social mood and social order in the 10 cities under provincial or prefectural administration and in Lishi County town. Fifth, it is necessary to promote the production of spiritual products and strengthen the control over these products, and to make every effort to provide the people with the best nourishment for the mind. This year, apart from paying further attention to strengthening control over newspapers, periodicals, and videotapes, we must place the emphasis on further efforts to adopt a correct business orientation, and social benefit must be taken as the highest criterion. The press, publishing houses, and radio and television broadcasting stations must conscientiously emphasize discipline, keep closely in line with reality, and propagate in a vivid and lively manner the party's line, principles, and various key tasks, the good deeds of the masses in enthusiastically building the four modernizations, new achievements of construction in various places, the good style that our cadres at all levels have shown in going deep into the grass-roots level, in immersing themselves among the masses, and in conscientiously carrying out investigations and studies, typical examples of models and progressives, and the new work style of taking the interests of the whole into consideration, emphasizing practical results, attaching importance to unity, and striving to make greater contributions. In brief, we must vigorously publicize the reform, encourage healthy trends, and foster unity. Writers and artists should immerse themselves among the masses, go to the first line of reform, and experience hardships together with hundreds of thousands of people in the thick of the struggle for the four modernizations, so as to produce outstanding works which are in keeping with the spirit of the times, reflect the realities of life, and inspire people to open up a new situation.

The conference pointed out: This year will be a crucial year for the improvement of party style. To improve party style, we must implement the principle put forth by the CPC Central Committee, namely, "first, persist in our efforts, and second, make long-term efforts." This year, in rectifying party style, we are to uphold the following guiding principle: the whole party is to be mobilized to take part in the effort; leaders should take the lead in the drive and should do more actual work, rather than indulging in idle talk; it is necessary to strengthen education and be strict in handling cases; and improvement of party style must be fulfilled as scheduled and results must be achieved in a year.

The conference has set the criteria for a fundamental turn for the better in party style: 1) The leading body is up to the standard of the four transformations of cadres and is able to implement correctly the party's line, principles, and policies and keep strictly in line with the CPC Central Committee politically. Leading organs and leading cadres must play exemplary roles in various aspects. 2) Showing concern for party style has become a common practice in the party, those unhealthy trends most bitterly hated by the masses have been redressed, new unhealthy tendencies are curbed as soon as they emerge, and the relations between the party and the masses have been substantially improved. 3) With their political quality improved and with a high sense of discipline, the vast majority of party members can play the role of model and bridge; and most grass-roots organizations of the party can play the role of fighting force. 4) Inner-party life and the system of democracy have been further consolidated; and party, being closely united, can regularly launch criticism and self-criticism, constantly listen to the masses' opinions, and improve its work and style. 5) The improvement in party style has expedited the further development of the reform of the economic structure, as well as economic construction, and has thus given impetus to the realization of a fundamental turn for the better in the social mood and economic situation.

The conference emphasized: In order to effect a substantial improvement of party style and score practical results throughout the province this year, we must pay attention to the following five aspects: Leading organs and leading cadres at all levels must be strict with themselves and play an exemplary role; it is necessary to persistently mobilize the whole party to take part in the effort to rectify party style; it is necessary to strengthen education in party spirit, party style, and party discipline; it is necessary to handle cases conscientiously and to be strict in investigating and handling a number of important and major cases; and it is necessary to strengthen supervision over party-member cadres, especially leading cadres.

The conference called on leading cadres at all levels to give full play to their revolutionary spirit, to improve their working methods, to work in a down-to-earth manner, and to try their best to fulfill all the tasks for 1986.

TIANJIN RESIDENTS POSSESS MORE CONSUMER GOODS

OW261240 Beijing XINHUA in English 1228 GMT 26 Feb 86

[Text] Tianjin, February 26 (XINHUA) -- With incomes rising steadily, the value of major consumer durables of the average Tianjin urban household has doubled to 2,700 yuan (about 900 U.S. dollars) since 1980, the municipal statistics bureau said here today.

Of this, washing machines, wrist watches and bicycles are worth 958 yuan, up 47 percent from 1980, according to a sample survey conducted by the bureau last month.

The value of TV sets and tape recorders soared 160 percent to 796 yuan; woolen and fur-lined coats, 190 percent to 630 yuan; and furniture, 70 percent to 316 yuan.

The average annual income of Tianjin urban families rose seven percent in real terms from 1984, to reach 812 yuan per person last year, a bureau official said.

The survey also shows that the number of black-and-white TV sets for every 100 families rose to 83.7 in 1980; washing machines soared from 0.2 to 42.5; tape recorders increased from 6.2 to 52; and sofas doubled to 120.

Moreover, there are also 16.6 color TV sets and 9.3 refrigerators for every 100 families, compared with almost none six years ago.

Each urban resident has an average of two woolen or fur-lined coats and two pairs of leather shoes, and every four residents have a woolen blanket.

GANSU COMMENTARY ON LESSON OF FRAUD CASE

HK260217 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 24 Feb 86

[Station short commentary: "Draw a lesson, Strengthen Party Spirit"]

[Text] The provincial CPC Committee and the Dingxi Prefectural CPC Committee have seriously investigated and dealt with the case of some leading cadres in Zhangxian County practicing fraud and seeking personal gains by taking advantage of their power. This has enjoyed popular support. If CPC committees at all levels administer the party strictly, earnestly implement the principle of resolutely and continuously correcting party style, correcting each malpractice one by one, and making unremitting efforts, it will be possible to bring about a basic turn for the better in party style at an early date.

Comrades (Jiang Guotai), (Han Qi), and (Zhao Zhiqiang) forgot the party's basic aim of serving the people wholeheartedly, treated the power given by the people as a means for seeking personal gains, and gave up the principle of party spirit. Leading cadres at all levels must draw a bitter lesson from their mistakes, constantly strengthen party spirit, exercise strict self-discipline, take the lead in inheriting and developing the party's fine traditions, and always put the interests of the party and people above all. Only thus can they set a good example for party members and the masses in correcting party style.

The reason some leading cadres in Zhangxian County seriously engaged in malpractices is that leading members of the former county CPC Committee were weak and incompetent, and failed to form a powerful leadership core. Both units which are now carrying out party rectification and units which have completed party rectification should vigorously strengthen the building of leadership groups in style and organization, adhere to the party's system of democratic centralism, uphold the principle of collective leadership, and constantly upgrade the quality of leading cadres, so that leadership groups at all levels can become effective commanding offices for grasping the building of the two civilizations.

QINGHAI TEMPORARILY HALTS TAX INSPECTION

HK260939 Xining Qinghai Provincial Service in Mandarin 2330 GMT 23 Feb 86

[Text] Our province's large-scale inspection of tax revenue has been brought to a temporary halt. Enterprises of all kinds which conducted self-inspection or key inspection from September last year to January this year, accounted for 80.9 percent of the total number of existing enterprises which should pay taxes. As a result of inspection, it was found that 45.5 percent of them evaded taxes. But the end of January, some 80 percent of the taxes evaded had been paid into the treasury.

In this large-scale inspection of tax revenue, it was found that the tricks of enterprises evading taxes were many and varied. Some withheld their income from business and sales; some induced people to buy their wholesale commodities or came by income from the difference between the purchasing and reselling prices of raw materials. Some failed to pay taxes for their agricultural, livestock, and fish products or effected payment without the support of vouchers. Some individual enterprises and individuals used false accounts or false invoices to evade taxes.

In order to strictly enforce the tax law, before Spring Festival, tax departments at all levels in our province basically completed the handling of cases of tax evasion found, in accordance with the principle of seeking truth from facts. At present, tax departments in all places are stepping up the payment of taxes evaded into the treasury, and urging the payment of taxes evaded.

They have also seriously summed up experiences and lessons in inspection and formulated measures to strengthen the management of tax revenue, so as to consolidate the fruits of the large-scale inspection of tax revenue.

QINGHAI CONCLUDES FORUM OF REASSIGNED CADRES

HK251725 Xining Qinghai Provincial Service in Mandarin 2330 GMT 21 Feb 86

[Text] On 21 February, the provincial CPC Committee organization department concluded in Xining the 2-day forum of cadres sent to work in prefectures and counties. At the forum, the cadres unanimously contended that to select and send middle-aged and young cadres with professional knowledge, to work at grass roots levels was very important in terms of expediting Qinghai's economic construction, improving the cadres' work style and cultivating cadres. The participants stated that they would never let the party organizations down, and would make contributions to developing Qinghai.

Comrade Yin Kesheng attended and made a speech. He said: Qinghai is a poor area. Those 40 comrades sent to the grass-roots level have set good examples for the province's party members. This is a glory which is worth being studied. For the first time in 10 years, the province has selected and sent fine middle-aged and young intellectuals to the grass-roots. The provincial CPC Committee and government have therefore decided to continue to carry on the work in future.

QINGHAI'S YIN KESHENG ADDRESSES TRANSFERRED CADRES

HK270437 Xining Qinghai Provincial Service in Mandarin 2330 GMT 24 Feb 86

[Excerpts] Yesterday morning [24 February], the Qinghai Provincial CPC Committee held a meeting of provincial organ cadres at and above departmental level in the provincial people's hall to give a warm send-off to 40 young cadres who had been transferred from organs at the provincial level and provincial subordinate enterprises and institutions to autonomous prefectures, prefectures, and counties to work there. Yin Kesheng, secretary of the provincial CPC Committee, presided over the meeting.

[Begin recording] The meeting to give a send-off to cadres of organs at the provincial level going to work in autonomous prefectures, prefectures, and counties is now beginning. Comrade Liu Feng is going to read the decision of the provincial CPC Committee on selecting and sending cadres of organs at the provincial level to strengthen ideological work.

With a view to really strengthening ideological work and the building of the ranks and speeding up the development [words indistinct] and construction in our province, the provincial CPC Committee has decided that beginning in 1986, arrangements will be made in an organized and planned way for selecting and sending outstanding and young cadres of upper-level leadership organs, enterprises, and institutions, whose ideology is good and work style correct and who have certain professional technology and management skills, to work at the grass-roots. The first group of 40 comrades has been first transferred from organs and departments at the provincial level and provincial subordinate enterprises and institutions to reinforce the leadership groups of autonomous prefectures, prefectures, and counties and the leadership forces of autonomous prefectural and prefectural organs. In the future, arrangements will be made continuously. All autonomous prefectures, prefectures, cities, and counties must also make arrangements in a planned way for sending a certain number of their cadres to counties, townships, and [words indistinct] to strengthen grass-roots leadership groups so as to promote still more effectively the building of party style, all aspects of building, and economic development in rural and pastoral areas. This is a system which we must regularly implement for a long period of time in the future. [end recording]

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At the meeting, (Li Jingfan), director of the organization department of the provincial CPC Committee, read the namelist of the cadres going to work in autonomous prefectures, prefectures, and counties.

Huanjiecaolang, deputy secretary of the provincial CPC Committee spoke at the meeting. At the conclusion of the meeting, Comrade Yin Kesheng gave two instructions to the comrades going to work in autonomous prefectures, prefectures, and counties: Do practical work, lay stress on practical results, and struggle hard for the prosperity and well-being of the people. Lay stress on unity, compare contributions, strike root at the grass roots, put into practice, and grow up through tempering.

Attending the farewell meeting were leading comrades of the provincial authorities, including Song Ruixiang, Zhao Haifeng, Song Lin, and Shen Ling.

XINJIANG'S SONG HANLIANG MEETS DEPARTING CADRES

HK270417 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 24 Feb 86

[Text] This morning regional party and government leaders Song Hanliang, Wang Enmao, and Tomur Dawamat met the second batch of cadres who will leave for Jiangsu and Zhejiang to study at corresponding posts. Of the 41 cadres, 11 are of minority nationalities. They come from industrial, commercial, and financial and Constructive Corps. Their average age is 40 and most of them have reached college student level. They are occupying various leading posts in their own units. They will study at corresponding posts in Jiangsu and Zhejiang for 4 months.

Song Hanliang, Wang Enmao, and other leading comrades expressed the hope that the cadres will live up to the expectations of the regional CPC Committee, study hard in connection with Xinjiang's reality, master the valuable experience achieved by other provinces in reform and enterprise management, and make contributions to Xinjiang's four modernizations. These cadres will leave Urumqi on 27 February.

TAIWAN TO KEEP SUBSTANTIVE TIES WITH PHILIPPINES

OW270519 Taipei International Service in English 0200 GMT 27 Feb 86

[Excerpt] ROC spokesman for the Foreign Ministry Chiu Chin-yi said today, 26 February: The new Philippines Government has been formed, and the Republic of China will keep substantive relations with the Philippines, which have been well established over the past years.

Spokesman Chiu held a press conference this morning on the ROC's attitude toward the Philippines' new government. Chiu said: The Republic of China Government is very much concerned about the Philippines political situation, since there are many Overseas Chinese residing in the Philippines.

CHINESE PILOT TO LEAVE S. KOREA SHORTLY

OW261007 Taipei International Service in English 0200 GMT 26 Feb 86

[Text] According to Chinese ambassador to Seoul, Hsueh Yu-hi, Chen Pao-chung, the MiG-19 pilot who flew his plane to an airbase near Seoul last Friday, will be allowed to go to the Republic of China as he has requested.

The ambassador, who called on Korean Vice Foreign Minister Yi Chang-ok Monday to discuss Chen's flight to freedom, said: The 26-year old pilot would be able to leave for Taipei in a couple of weeks. He added: Unlike previous pilot defectors from mainland China who flew combat jets to the Republic of Korea, Chan piloted a reconnaissance plane. His case will therefore take longer to investigate.

Chen is the sixth Chinese Communist military pilot to defect to the ROC by way of Korea.

SHANGHAI COMPANY BEGINS TO PAY DIVIDENDS

HK270423 Hong Kong TA KUNG PAO in English 27 Feb 86 p 6

[Text] Economic reform program will soon pay off in a new way as 18,000 stockholders in Shanghai receive the first dividend checks issued since the founding of New China in 1949. Zhou Xinrong, president of the Yanzhong Industrial Company, told stockholders that they will receive a 15 percent return on their investments this year, nearly twice the going rate for one-year bank deposits. The company is one of 12 subsidiaries of the Yanzhong Photocopy Company, which was formed as a cooperative venture of local neighborhood committees in the city.

More than ten enterprises in Shanghai have sold stocks since 1984, when a new regulation permitted such sales. Other companies have sold stocks to their employees. None of the stocks can be traded, although they can be transferred through banks at a fixed price.

The Yanzhong Industrial Company sold 100,000 shares worth five million yuan in January 1985, 60,000 of them within seven hours. Individuals bought 90,000 shares, while the rest were bought by collectives. Last year the company earned a profit of 980,000 yuan. After paying income tax, owners of each 50-yuan share will earn 4.6 yuan, Zhou said.

The company invested the five million yuan in imports of equipment for a plastic die plant, in trade involving duplicating machines and in a new six-story rental building.

In the future, Zhou said, the company will concentrate more on industrial production.

The parent company, which also owns a research institute and a joint venture, earned more than nine million yuan in profits last year, ten times what it made in 1978.

LI HAO VIEWS SHENZHEN'S DEVELOPMENT PROSPECTS

HK231013 Hong Kong WEI WEI PO in Chinese 21 Feb 86 p 3

[Special dispatch from Shenzhen: "Li Hao Discusses Prospects for Shenzhen-Hong Kong Relations"]

[Text] Mayor of Shenzhen Li Hao officially stated his views before newsmen for the first time yesterday afternoon at a Spring Festival tea party prepared for Shenzhen and Hong Kong journalists. He said that recently, a leader described Hong Kong as a new "silk road" for China to other parts of the world. To build itself and develop its connections with other parts of the world, the Shenzhen Special Economic Zone should make full use of Hong Kong's assets and correctly handle its relations with Hong Kong so that Hong Kong will benefit from Shenzhen, and vice versa. The two places should support, cooperate with and complement each other for common prosperity. This is the basic principle for correctly handling relations between Shenzhen and Hong Kong, and also the common objective of developing economic and technological cooperation between the two sides.

Li Hao also said that cooperation and exchanges between Shenzhen and Hong Kong are very close. In terms of foreign investment alone, Shenzhen had concluded 3,967 agreements and contracts with foreign investors from 1980 to July 1985, amounting to U.S. \$2.957 billion. Of this, investment funds from Hong Kong accounted for 90 percent. The amount of foreign funds put to use totaled U.S. \$775 million and Hong Kong investment funds made up 87.2 percent of the total. It is thus seen that the relations between the two places are very close.

In this connection, it has been planned to open two more thoroughfares in Huanggang [4106 1511] and Luomazhou [5507 7456 3166] this year, and to strive to extend office hours of customs houses (according to a preliminary agreement reached between Shenzhen and Hong Kong, the office hours of both Shenzhen and Hong Kong customs will be prolonged to 2200 from 1830). After the second border is officially put to use, entry and exit formalities for Hong Kong residents will be further simplified. Preparations are being stepped up for the construction of the Shenzhen civil airport. Preferential policies will be further implemented, the practice of arbitrarily collecting fees will be straightened out and efforts will be made to raise efficiency levels of service. The Shenzhen Special Economic Zone will dispatch more personnel to be stationed abroad so as to gradually set up an economic information, purchase and marketing network for export purposes.

#### Shenzhen Will Launch Reform in Many Fields This Year, Enterprises Will Be Established on a Shareholding Basis

Referring to prospects for Shenzhen's development in the future, Li Hao pointed out: First, the central policy of opening up to the world is the basic policy of the state stipulated in the state Constitution. The State Council recently held a meeting of the nation's special economic zones to discuss major policies for further development of the special economic zones. This has once again proved that the central authorities will, as always, firmly support the special economic zones. Second, all localities and all departments render great support to the Shenzhen Special Economic Zone. Now, 28 provinces, municipalities and autonomous regions of the country, as well as more than a dozen of the central industrial departments, all have offices with very capable cadres in Shenzhen. Without the support of the whole nation, it is unimaginable that Shenzhen could have achieved great success in construction. The strong support of the whole nation provides a sufficient guarantee for ever-growing development and progress in Shenzhen. Of course, this does not mean that the interior "transfuses blood" to Shenzhen. The interior and Shenzhen have always supplemented each other in setting up enterprises and making investments. The other parts of the country use Shenzhen as the window for carrying out the opening up policy and in turn, Shenzhen is of service to them. Therefore, we plan to hold a meeting after the Spring Festival, of responsible persons of offices of all provinces and cities of the country, in Shenzhen.

Li Hao also pointed out that through efforts over 5 years and more, the investment climate in Shenzhen has increasingly improved and it has become ever more attractive to domestic and foreign investors. Economic construction in the Shenzhen Special Economic Zone has now reached a new stage in its development. The attractive investment climate in Shenzhen, its "radiative force" to other parts of the country and its competitive market, are of vital importance to the economic development of Shenzhen. A series of preferential policies formulated by the central authorities for the Shenzhen Special Economic Zone afford a basic guarantee for strengthening the work in these three fields. According to the aforementioned objective and demands, Shenzhen should fulfill the following tasks this year and in years to come: 1) Instead of laying a material foundation in economic construction as in the past few years, we must start to concentrate efforts on increasing industrial production output, ensuring quality and achieving better economic results. We must take appropriate control of the scale of investment in fixed assets, improve work that has been initiated and step up the development of energy, transport and telecommunications. Efforts will be made to perfect various rules and regulations for a better investment climate. The funds to be invested in capital construction this year should be limited to no more than renminbi 1.6 billion. Of course, this does not include foreign investment funds. 2) We will continue to make efforts to introduce investment from abroad and establish lateral ties at home.

3) We will uphold the policy of opening up to the world and stimulate reform in depth. The departments concerned are busy preparing reform plans and measures to be adopted this year, such as establishing enterprises on the shareholding basis, putting all trades under the control of their associations, establishing an independent accounting system and improving the systems of wages, prices, housing on a commodity basis, income tax and social insurance. 4) We should promote the improvement of party work style and social conduct at large.

Also attending the meeting yesterday were Zou Erkang, Qu Huang, Lin Zuji, Lu Zufa, Liu Lin, Li Weiyan, and Zhang Hongbin. They answered questions put to them in turn by newsmen, including the question concerning the contradiction between the export-oriented economy of Shenzhen and the economy of Hong Kong. The meeting was held in a lively atmosphere.

'CONFUSED STATISTICS' ON PRC TRADE CRITICIZED

HK260551 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS supplement) in English  
26 Feb 86 p 2

[Editorial: "China Must Bridge Its Credibility Gap"]

[Text] It is an accepted maxim of trading that price is a relative concept, and depends not only on supply and demand, but whether the party interested in knowing it is buying or selling. The confused statistics emerging from China on its trade performance have all the characteristics of the age-old conundrum of figures being subject to the needs and motives of the beholder.

Clearly, the Foreign Trade Ministry has an interest in preserving, as far as possible, the flow of goods into and out of China, while the Customs Department is charged with the responsibility of monitoring and controlling imports.

When the Foreign Trade Ministry alleges a trade deficit of US\$7.6 billion for last year, the figure needs to be treated with a degree of circumspection normally associated with politicians determined to present the brightest possible picture.

The deficit of US\$14 billion, widely viewed soon after the end of the year as a more realistic number, and cited this week by the Customs Department as the official deficit for the year, adds an alarming dimension to China's trade and foreign reserve issue. Not only has the mainland indulged in an orgy of consumption over the past year, but the commodity markets have refused to accommodate this appetite, and ever-declining oil prices have made the objective of a balanced trade account an increasingly remote proposition.

Close to a quarter of China's export earnings are derived from oil and coal, both of whose prices have taken a pronounced drubbing in the world's markets of late. Without a manufacturing base large or diversified enough to take up the slack, it is natural that imports will have to face the scalpel.

While China's obsession with large foreign currency reserves is curious to the debt-inured West, it is a political reality that will not disappear as a result of hand-wringing abroad. Historical distrust of the capitalist financiers and the genuine fear that China is in constant danger of becoming hostage to the whims and wiles of the banks are pervasive phenomena among older and conservative officials. What this means is the trend begun in March last year is unlikely to begin any substantive reversal for the foreseeable future.

China has moved comprehensively into a "stop" phase of its "stop-start" evolution into industrialisation and modernisation, and a by-product of this leg of the cycle is a clampdown on imports of consumer goods and other non-essentials.

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For Hong Kong's manufacturers this news will not be new, or in any way encouraging, but the timing is perhaps fortuitous. Cossetted by exponential growth in exports and reexports to the mainland, and supported by a base load of shipments to the U.S., Hong Kong's manufacturers have not in the past felt the need to identify and exploit new markets. Investiveness arising from necessity has opened the way to the European Economic Community, while Japan is beckoning through a heavily revalued currency and concomitant boost to the competitiveness of Hong Kong products.

For China, the critical issue as far as the rest of the world is concerned is the huge credibility gap in statistics on the country's economic and trade performance. With such large disparities issuing forth from two central government departments on a matter as vital as the trade balance the question inevitably raised is how much credibility can be attached to any other figures reported by the country's authorities. Long-term trade relations are built on trust and reliability, and if China is unable to establish credible records in areas as fundamental as trade figures it is unlikely to be able to persuade foreign investors to rely on long-term economic projections. If China is to break through into the ranks of the emerging industrialised or eventually the newly industrialised countries it will have to come to terms with the basics. In the context of national accounts, there is little that is more basic or fundamental than trade statistics, and a good start on the road to economic maturity would be a determination to produce reliable numbers, whether buying or selling.

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